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ABSTRACT

This guide has been designed to furnish child care providers with information on what to look for when designing a liability insurance package and on the types of insurance policies available. It is intended to serve as a tool for those who need help developing and selecting child care insurance, and for those assessing whether their current policies are adequate. The guide discusses: (1) what liability insurance is; (2) liability insurance policy options; (3) steps to designing a liability insurance policy; (4) the responsibilities of the policyholder; and (5) practical applications of child care liability insurance. A directory of child care liability insurers is also provided, which gives the names, addresses, and telephone numbers of 25 insurers, as well as detailed descriptions of each company's liability policies. Three appendixes list state-imposed liability insurance requirements for child care providers, the addresses and telephone numbers of state child care licensing offices, and national organizations that can provide information on child care regulations and issues. (MDM)

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INSURING YOUR FUTURE: LIABILITY INSURANCE AND CHILD CARE

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To accomplish this, CCAC provides information and original research to the public, government and corporate policy makers about the needs of families with children, and the connection between these needs and national prosperity; and it advocates for additional investments in child care by employers, by labor, and by federal, state and local governments.

CCAC invites individuals and organizations who share its goals to become members of the organization.

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INSURING YOUR FUTURE: LIABILITY INSURANCE AND CHILD CARE

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Pat Nicholson

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1992

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Richard B. Stolley
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INSURING YOUR FUTURE: LIABILITY INSURANCE AND CHILD CARE
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INSURING YOUR FUTURE: LIABILITY INSURANCE AND CHILD CARE

I. INTRODUCTION

In 1985, providers of child care experienced unprecedented difficulty obtaining and renewing their liability insurance because insurers were either canceling policies, increasing their rates -- sometimes by as much as 400 percent -- or simply refusing to renew coverage. At that time, the insurance industry met with serious reverses and was forced to cut back on the services it offered in a variety of markets. Child care was among these, especially because of highly publicized sexual molestation cases allegedly to have taken place on the premises of a few child care facilities. Insurance companies felt financially threatened by the possibility of exposure to legal actions based on similar allegations, particularly because of the "long-tail" factor -- children, under state laws, can sue for damages incurred at any time until they reach their majority (usually age 18) or for the statute of limitations period thereafter. This means that child care claims may be made many years after the incident occurs.

The insurance crisis of the mid'80s had a serious impact on the delivery of child care services: some providers reduced their spending and served fewer children; others increased tuition rates, operated without insurance, or simply went out of business. Because existing child care services were already insufficient to meet the growing demand, there was an urgent need for an accessible, affordable and viable insurance program that would be attractive enough to encourage both child care providers and insurers to stay in, or to enter the child care field.

In 1985, CCAC convened a meeting of representatives of major national child care agencies and created an Insurance Task Force which, under CCAC's leadership, undertook an examination of the crisis. As a result, a Day Care Provider Liability Program, underwritten by the Continental Insurance Company, was instituted in January 1986. Since that time, insurers have learned how to assess and control their exposure and have been steadily returning to the child care liability marketplace.

As the demand for out-of-home child care continues to increase, providers of child care need to know how to protect themselves and their programs from liability, and how to evaluate and select the appropriate coverage.

This guide has been designed to furnish child care providers with information on what to look for when designing a liability insurance package and on the types of insurance policies available. It is intended to serve as a tool for those who need help developing and selecting child care insurance, and for those assessing whether their

current policies are adequate. The section on company profiles, page 18 of this report, provides information on the coverage available[1] through 25 insurance companies surveyed by the Child Care Action Campaign (CCAC) who are in the business of underwriting child care. A glossary of common insurance terms is also provided on page 63.[2]

[1] As of April 1992, based on information received from the insurance companies.

[2] Throughout this report, italics are used to indicate that the definition of a word can be found in the glossary of terms.

II. WHAT IS LIABILITY INSURANCE?

Liability insurance protects an insured party against claims that arise out of injuries or accidents due to negligence, and against damage or destruction to the property of others for which a business is responsible when negligent.

Liability Insurance and Child Care Providers

Child care providers -- both center and family day care home providers -- need child care liability insurance to protect themselves from an assortment of daily risks, for example, injury to a child due to negligence or injury to a child being transported while under the care of a provider. Other common situations that can arise in a child care setting are described on page 15. Without insurance protection, providers are financially vulnerable.

Because liability insurance will reimburse the insured only when there has been negligence, providers should also purchase accident/medical insurance, which will pay for medical costs when there is injury to a child without negligence. In general, parents are less likely to sue if medical costs resulting from an injury are covered.

At this time, 21 states require child care centers to carry liability insurance and 14 states require family day care home providers to carry such insurance. (See Appendix I, page 70, for a list of states that require providers to have liability insurance and Maps I and II, page 5, for a visual representation of state requirements.) Some states also mandate that providers who receive federal money for child care through such programs as the Child Care and Development Block Grant and the At-Risk Child Care Program, have liability insurance.[3] However, most states that require liability insurance do not specify the amount of coverage.

Providers should not view the purchase of child care liability insurance as merely the fulfillment of a government requirement. This approach can result in the

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[3] The Child Care and Development Block Grant provides federal funding to the states to: 1) provide financial assistance to low-income families to help them find and afford quality day care; 2) improve the quality and increase the supply of child care available to all families. The At-Risk program is an amendment to Title IV-A of the Social Security Act, which makes available $300 million of federal funds for each year (for five years, from FY 1991 through FY 1995) for child care to assist families who do not receive AFDC (Aid To Families With Dependent Children) but who are at risk of becoming eligible for AFDC.

purchase of only the minimum required coverage, thereby jeopardizing both the providers and the children they are expected to protect.

Child care providers should give serious consideration to obtaining insurance as well as state licensing or registration even if they are not required to do so by their state. The combination of state licensure or registration and child care liability insurance can strengthen a provider's credibility as a professional and can enhance the quality of her/his program.

MAP I

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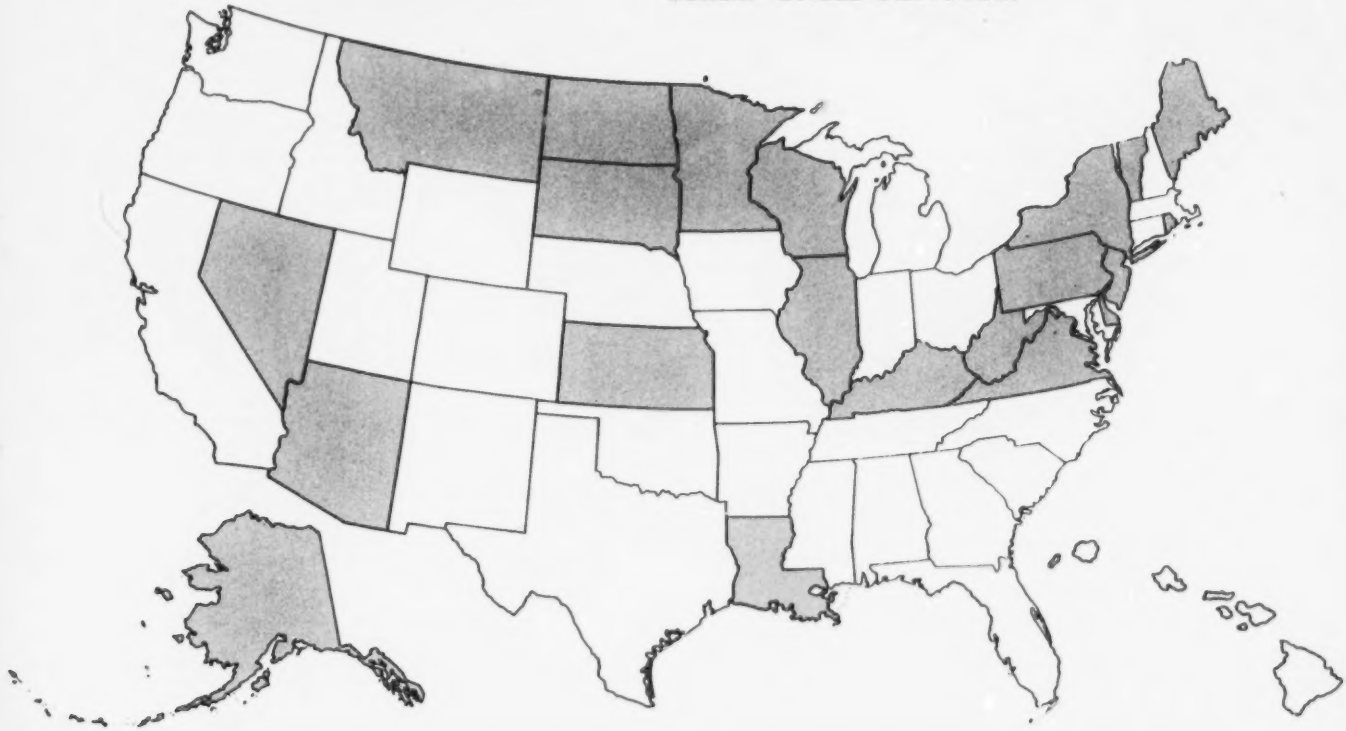
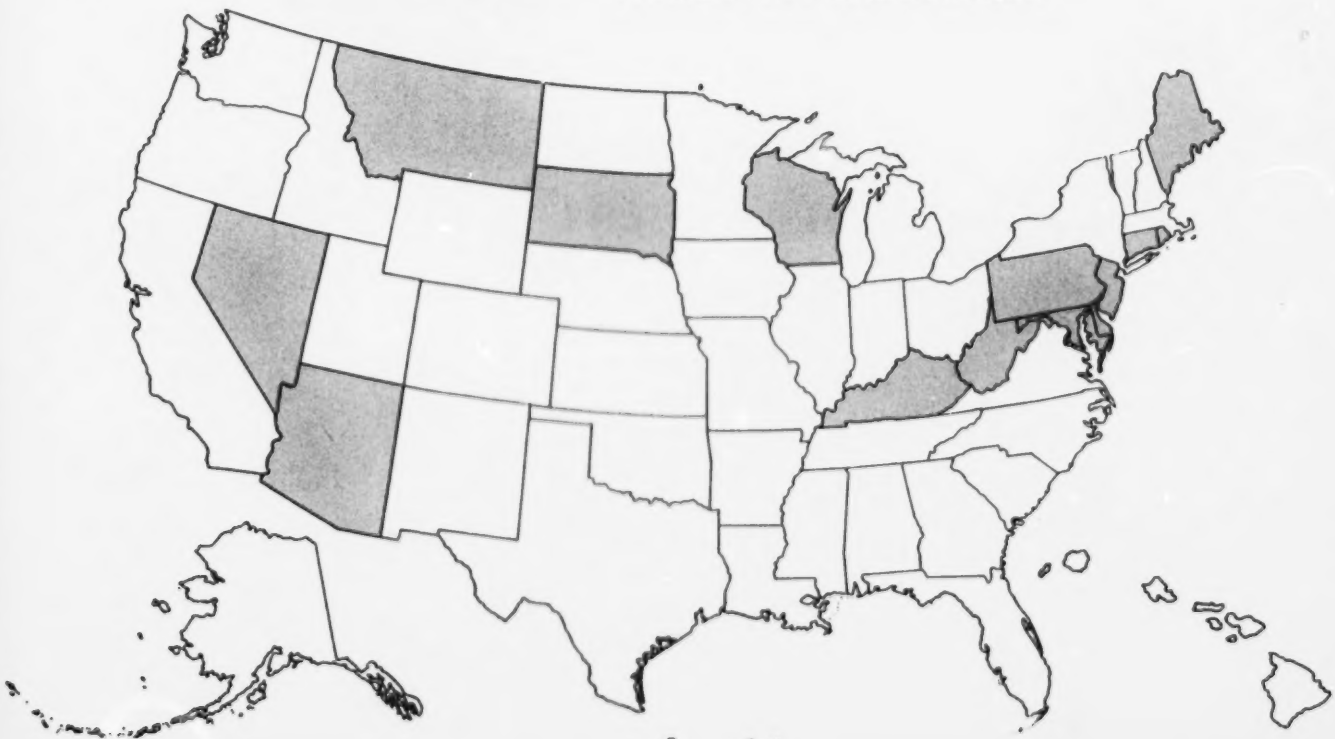
STATE LIABILITY INSURANCE REQUIREMENTS FOR CHILD CARE CENTERS



MAP II

CCAC

STATE LIABILITY INSURANCE REQUIREMENTS FOR FAMILY DAY CARE HOMES



III. LIABILITY INSURANCE POLICY OPTIONS

What Are A Provider's Insurance Options?

There are two types of child care liability insurance policies: an ***occurrence policy*** and a ***claims made policy***. While occurrence policies are the more common form of child care liability insurance, claims made policies are not available in every state. There are important differences between the two policy types and the characteristics of each must be thoroughly understood before selecting one over the other. Regardless of which policy is selected, the provider should review her/his liability policy on an annual basis.

Occurrence Policies

An occurrence policy is defined as coverage for harm suffered by others because of events occurring while a policy is in effect, regardless of when a claim is actually made. This type of policy, the most common form of child care liability insurance, is offered by most insurance companies. It is appealing to providers because there is usually no time limit on when a claim can be made. Provided the incident in question occurred during the contract term of the policy, a claim may be made even after the policy has lapsed.

Although a business may purchase an occurrence policy and never change it, policies must be reviewed and updated on a regular basis to reflect changes in risk and to prevent the coverage from becoming outdated. For example, the $100,000 of coverage purchased and appropriate in 1975, might be totally inadequate for a claim filed in 1995.

Claims Made Policies

Like an occurrence policy, a claims made policy covers incidents that occur during the time the policy is in effect. **However, unlike an occurrence policy, a claims made policy will only cover claims that are also reported during the policy term.** Under claims made, if a provider is not insured with the insurance company when a law suit is actually brought against the provider, s/he will not have any protection under the policy. Claims made policies are less commonly used for child care and are typically written on a short-term or yearly basis.

A claims made policy allows both the insured (the policyholder) and the insurance company to determine whether or not to renew the policy and/or adjust the claims limits to improve upon the previous one. From the perspective of the insurance company, such policies are attractive because risk is assessed for a limited time period rather than for the life of a business.

For the care provider, a claims made policy may be less appealing than an occurrence policy because the provider is insured only for the period that the policy is in effect. Because liability claims may be brought against a provider years after an alleged incident, many providers find it to their advantage to have occurrence policies. However, a claims made policy does force the provider to re-evaluate risks and policy coverage.

Because a claims made policy is not as beneficial to the insured as an occurrence policy, it is very important for the provider to secure an occurrence policy if s/he possibly can.

Changing Insurance Policies from Claims Made to Occurrence[4]

If the provider wants either to change insurance carriers or policy types -- from a claims made to an occurrence policy -- s/he must be careful to avoid the problem of a gap in coverage. A claims made policy should contain an ***Extended Reporting Endorsement*** and/or a ***Prior Acts*** provision to protect against all or some aspects of a gap.

Because claims made policies will not cover any claim reported after the policy has ended, when terminating a claims made policy, providers should purchase an *Extended Reporting Endorsement* (also referred to as Extended Coverage, Extended Reporting Period and Tail Coverage) to protect themselves for incidents which occurred during the claims made policy period but are reported after the claims made policy has ended and during the time provided by the Extended Reporting Endorsement.

Extended Reporting coverage can be purchased for varying lengths of time. Compare price quotes from several insurance companies and note the period that each is willing to make coverage available.

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[4] Much of this section was adapted from "Am I Covered For...? A Comprehensive Guide To Insuring Your Non-Profit Organization." Chapman, T. and E. Steinbock. Consortium for Human Services, Inc. San Jose, CA, 1992.

An alternative to purchasing Extended Reporting coverage is *Prior Acts*. *A Prior Acts* endorsement can be used by providers who wish to change insurance carriers or cancel their claims made policy.

The new insurance company can add a *Prior Acts* endorsement to allow for the coverage of incidents that occurred before the new policy was instituted (also referred to as "nose" coverage). Under Prior Acts, the new insurer agrees to cover for things that happened under the policy of a previous company. When purchasing a *Prior Acts* endorsement, coverage should be extended to include the entire period of time covered under the old policy to ensure full protection from liability claims.

IV. DESIGNING A CHILD CARE LIABILITY INSURANCE POLICY

Like any other business decision, designing the right insurance package requires a thorough understanding of what a policy should include and what options are available. Center-based operators and family day care home providers care for children in diverse settings and face differing regulatory requirements. Their methods for evaluating risks and developing insurance policies will differ in: 1) the identification of risks and the priority they give to their determined risks; and 2) the amount of money they can spend on their policy.

While center providers most often purchase insurance solely for the child care center, it is not unusual for family day care home providers to package child care liability insurance with their other insurance needs, such as *homeowner's insurance.* However, as late as 1991, some insurance companies were canceling the homeowner's coverage of providers of family day care when the insurer discovered that the homeowner was providing child care. Family day care providers seeking insurance as part of a homeowner's insurance package should make certain that a separate rider is included for family day care liability.

Steps To Designing a Liability Insurance Package

Planning a child care liability insurance program involves time and effort, but is well worth the investment of both. The following five steps should clarify the process of designing child care liability policy.

Step #1. Identify all risks.

All potential risks associated with the day-to-day operations of providing child care must be carefully assessed. Risks can be numerous. Here are some common ones:

1) Staff activities, including the daily supervision of children, food preparation, and the distribution and administering of medication to children.

2) Recreational and facility equipment.

3) Transportation of staff and children on field trips and/or between the program and home or school.

Because many insurance underwriters are themselves uneducated about the specific risks involved in a child care operation, individual caretakers are often the most qualified to identify them.[5]

Providers, particularly center operators, should involve all staff and, if possible, some parents, in the risk-assessment process. Staff tend to be extremely knowledgeable about a center's daily operations and are most likely to understand the nature and frequency of risks. It is not unusual for former staff members to be called as witnesses in cases against their former employers. If staff have criticisms, get their criticisms on record early and respond quickly.

Parental involvement with risk assessment can also be beneficial -- it is good child development and good risk management. Family day care providers should speak to other providers in the field and to parents to identify fully their potential risks.

Step #2. Determine which risks to incorporate into the policy.

After identifying all risks, the decision of which risks to insure against, and to what extent, must be made. Such decisions will invariably involve trade-offs, most often because of budget constraints.

The most predictable or common risks and those with the greatest potential liability should be given priority. A high-priority risk should not automatically be excluded because of high cost; a provider may pay dearly for this omission later on.

Step #3: Shop around for an insurance policy.

When investigating various insurance brokers and policy options, a provider should inform themselves about the experiences of other providers who have filed claims. It is important to obtain insurance from a company that is reputable and responsive to its client in case of a claim. A company of choice is one that will take the time to help the insured understand the complexities of her/his coverage.

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[5] Child care consultants who are trained to help providers identify risks are available. See page 77, Appendix III, National Resources, for help in finding a consultant. In addition, local resource and referral agencies and some states may provide assistance in risk management and identification.

Insurance agents and brokers are insurance professionals who can help providers design the insurance policy they need to protect themselves from liability. However, agents and brokers are different. An ***independent agent*** works only with a limited group of insurance companies -- the insurers that s/he specifically represents. A ***broker***, on the other hand, does not carry agency-specific appointments and may work with many insurance companies.

Prior to the purchase of a policy, a thorough analysis of the prices charged and policies offered by other insurance companies should be conducted to insure that prices quoted are competitive and not significantly higher than other, similar coverage. Such an analysis should then be done annually.

Step #4: Understand what is included and excluded in the policy.

The insurance contract should be read carefully, so that the insured will have a clear understanding of what s/he is purchasing. Both the policy provisions and the *endorsements* should be scrutinized.

For example, it is not uncommon for providers who include coverage for legal fees in their general policy to assume that all legal fees will be covered. However, many insurance companies do not cover such fees related to criminal claims of physical or sexual abuse in their standard policies even if coverage for legal fees is included in a policy. Instead, legal fees to cover criminal claims must be included as an endorsement, a written agreement attached to a policy to add or remove insurance coverage. Endorsements take precedence over all original provisions of an insurance policy. Providers should discuss necessary endorsements with their insurance *agent* and should not assume they are covered for any occurrences.

Step #5: Re-evaluate and update the insurance policy regularly.

Providers should annually assess their current liability policies and re-evaluate their risks. They should inform the insurance company of any changes so that risks can be re-assessed and adjustments can be made to the existing policy. The simplest changes -- the purchase of new play equipment, the renovation of a building or a room, and additions, reductions, or changes in staff -- can leave a provider open to a legal challenge that s/he may lose. For example, suppose a child care provider makes renovations that do not meet local building codes, and suppose the insurance policy excluded coverage for "illegal acts" -- those acts that are in violation of the law. If

the provider is sued and held liable for damages arising out of the renovations, the insurer will likely invoke the "illegal acts" claim and refuse to reimburse the provider for the damage award.

Step #6. Be sure the insurance company selected is reputable.

The insurance company selected should be financially sound and well regarded in the insurance industry. State insurance departments or commissions should be sources of information in these matters, or a commercial insurance evaluation company, such as A.M. Best, [See page 77 for information on Best] can provide a financial rating of the company.

V. RESPONSIBILITIES OF THE POLICYHOLDER

Providers, as policyholders, should: 1) maintain the insurance policy; 2) practice risk management; and 3) educate parents about the risks in child care and the need for insurance.

Policy Maintenance

To maintain an insurance policy properly, the policyholder should:

1) shop around for an insurance broker or agent and select one agent so as to maintain accountability and limit responsibility for the policy to one person;

2) keep a written statement clearly defining the policy's objectives, and maintain complete records of the premiums paid and any losses and loss recoveries;

3) appraise assets periodically to prevent underinsuring;

4) adhere to the terms and conditions of the policy; and

5) inform the insurer when changes affecting the policy occur.

Practice Risk Management

Risk management, properly exercised, can help safeguard children, reduce the chances of a liability claim against the provider, and keep insurance premiums as low as possible. Child care programs should adopt the following practical risk-management measures to reduce liability risk and to enhance the quality of the program:

1) operate with a state license, even if it is not required, and comply with state standards;

2) follow the accreditation guidelines set forth by the National Association for the Education of Young Children (NAEYC) or the National Association of Family Day Care (NAFDC). For additional information on how to contact these organizations, see Appendix III, page 77;

3) watch for hazardous conditions and practices on a routine (e.g., monthly) basis and document the results of the self-evaluations and corrective actions taken;

4) encourage parents to make unannounced visits and to participate in the risk-assessment process;

5) maintain safe equipment;

6) carefully screen and check all references and work histories when hiring staff members; and

7) make in-service safety training available to the child care program staff in centers and to new family day care providers, and give periodic training in first aid and emergency procedures.[6]

Educate Parents about the Risks of Child Care and the Need for Insurance

Because insurance premiums add to the cost of operating a center or family day care home, providers may pass the insurance expenses on to parents in the form of higher fees. In explaining these fees, providers can point out to parents that adequate liability insurance is a reliable indicator of a quality child care program. Parents should feel more secure that their provider has taken precautions to make their child care center or family day care home safe.

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[6] Research conducted by CCAC Board Member and insurance expert James Strickland, President, Child, Inc. has shown that there are fewer claims in child care centers with experienced, well-trained staff.

VI. PRACTICAL APPLICATIONS OF CHILD CARE LIABILITY INSURANCE

Following is a series of ten hypothetical, but nevertheless realistic situations that can present themselves in the day-to-day operation of a child care establishment, and a description of the type of coverage that may be available to cover such risks.

Situation 1: *A child falls and is hurt. The family sues, claiming negligence from a lack of supervision or faulty equipment.*

A *general liability policy* should cover this type of negligence claim, up to the limit of the policy. If no negligence is found, an *accident/medical policy* would cover only the medical costs associated with the fall and only up to the policy limits (usually $1,000 to $10,000).

Situation 2: *A child falls. The family claims negligence by the provider, but does not bring a law suit. However, the family requests payment for hospital and doctor bills.*

If the *general liability policy* includes an *accident/medical policy* provision, the provider is covered up to the limit. If the provider has a *deductible*, s/he is covered up to the limit, after paying the deductible. If the provider has a separate accident insurance policy, s/he is covered up to the limit.

Situation 3: *A child is injured while on a field trip.*

If the provider purchases *comprehensive general liability* insurance, s/he must be sure that it covers activities that are off-site. Typically, an *Owner's Landlords and Tenants* policy will not cover off-site trips. The provider should ask her/his insurance agent about whether the general liability policy coverage includes off-site situations.

Situation 4: *A child is hurt while boarding a program's vehicle that transports children during the course of the program day.*

Some policies cover only automobiles owned by the program and not rented vehicles. The provider must be sure that her/his *general liability policy* covers loading and unloading (getting on and off transportation). If a child is hurt in a car accident, the provider must be sure that her/his *automobile* insurance covers this.

Situation 5: *A fire occurs at the site of a child care program. No one is hurt, but toys and equipment are destroyed.*

Most *general liability* policies do not cover such damage to property; *property insurance* does. Additionally, a landlord may assert that the provider caused the fire. To cover themselves against such claims, providers should include *fire* (or damage) liability insurance in general liability coverage. If the provider rents the property, the landlord's property insurance will cover the property damage. If the provider owns the property, the provider should be sure that property insurance coverage is adequate to allow for the complete restoration or renovation of the facility. A provider should speak with her/his insurance agent to understand the options if a fire closes her/his business.

Situation 6: *A program holds a fundraising event such as a bake sale, and one or more people get sick from the food served at it.*

In some instances, food is considered a "product." Here, a provider will want to ensure that her/his general liability policy includes *product liability*. An insurance agent should be consulted about how best to insure against this kind of incident.

Situation 7: *Blocks were left in such a way as to cause a child to fall and incur an injury. A family brings a law suit against a child care program and a specific teacher, claiming negligence.*

Typically, a *general liability* policy will insure against the negligent acts of a program's employees. However, if a specific teacher is identified as negligent in a law suit, the insurance policy may not pay for the teacher's defense. Listing employees as *additional insureds* would provide the necessary protection, usually at a nominal cost.

Situation 8: *A provider has had the same insurance carrier for many years but s/he now learns that the insurance company is going out of business.*

A provider may not be covered for future claims if her/his insurance company is going out of business. S/he should contact the *insurance agent* and state insurance agency about protection against insurers who may go out of business. Procedures will differ depending on the type of insurer, whether the insurer is or is not regulated by a state.

Situation 9: *An allegation of child molestation is made against one of the program's employees. The allegation is found to be unsubstantiated; however, money is spent in defending the case.*

Both criminal actions and civil law suits may arise out of an abuse allegation. Many *comprehensive general liability* insurance policies do not cover sexual molestation. Providers should look for *endorsements* to cover the program for allegations of sexual molestation, if such endorsements are possible.

Situation 10: *A program loses a law suit and is required to pay punitive damages -- an award imposed as punishment beyond the actual monetary loss.*

A program that loses a case because it is found to be negligent may have to pay a monetary award in excess of actual costs to the person who sued. Typically, coverage for such *punitive damages* is excluded from child care policies. However, some states require insurance companies to pay for *punitive damages*, even though exclusions are written into the policy.

VII. A DIRECTORY OF CHILD CARE LIABILITY INSURERS: 25 Company Profiles

Methodology

The Child Care Action Campaign, with the help of the Insurance Information Institute, a national insurance trade organization based in New York City, and child care experts, identified 112 insurance companies it believed were involved in underwriting child care liability insurance.

In August 1990, the CCAC mailed a survey to each of the 112 companies, asking them for detailed information on their child care insurance policies. Of the 67 companies who returned the surveys (a 60% response rate), 25 provided complete information: several insurers asked not to be included in the report because they did not want to advertise that they underwrote child care; others did not provide enough information for inclusion; others had discontinued child care insurance.

The 25 company profiles in this section were prepared from the survey and from fact-checking telephone interviews conducted in the fall of 1991 and again in early 1992. To ensure that each is factually correct, each insurance company included has had the opportunity to review its profile. These profiles are not intended to include all child care liability insurers nationwide, but only those insurers that CCAC identified as covering child care and those companies who completed our survey.

No listing included in this report should be construed as an endorsement of any carrier by CCAC.

How the Insurance Company Profiles Are Organized

Chart I, page 22, lists the insurance companies profiled in this directory and highlights the policies each offers.

Insurance companies are listed alphabetically. The profiles present information on key features of their child care policies. The terms used as headings in the profiles are explained in the next section.

Terms Used in the Profiles

States Where Admitted to Write Child Care Policies: Insurance carriers can operate as admitted or non-admitted carriers. Admitted carriers are subject to regulation by the Insurance Department of that state, which can require that certain rates be charged, types of policy forms be used and procedures be followed. Additionally, admitted carriers are protected by the Guarantee Fund of the state. This is important because if an admitted carrier becomes insolvent, the Fund will pay for the existing claims of the insurance company. Insurance *brokers* and *agents* can provide advice about which insurers are admitted or non-admitted in a particular state.

Best Rating: A.M. Best, an agency representing property/casualty insurance companies actively operating in the United States, assigns ratings based on an analysis of companies' quarterly financial reports. Best evaluates and rates the performance of insurance companies every six and nine months to determine their financial stability.

Best's rates insurance companies according to: a Rating Monitor, which qualifies the status of the assigned rating, a Performance Modifier, which indicates changes in affiliation and structure, and Financial Size, which reports on the insurance company's financial size, as well as its surplus and additional reserve funds.

The following is an explanation of Rating Monitors.

Superior:	A+
Excellent:	A or A-
Very Good:	B
Good:	B or B-
Fairly Good:	C+
Fair:	C or C-

The Financial Size category is represented by Roman numerals ranging from Class I (the smallest) to Class XV (the largest).

Types of Programs Eligible: Outlines the types of child care an insurance company is willing to insure, such as family day care, child care centers and Head Start programs. Programs may also be for-profit, non-profit, church-sponsored, or employer-sponsored on-site and/or near-site facilities.

Types of Policies: Identifies the insurance policies available from the carrier, such as occurrence, claims made and/or *accident/medical* (see glossary for detailed definitions of these policies).

Policy Includes: Lists those items covered in the standard insurance policy.

Policy Excludes: Lists those items not included in the general child care insurance policy. Common exclusions are automobile (accidents incurred through car use), asbestos and corporal punishment.

Legal Fees: Refers to whether or not legal fees for court proceedings are included in the general policy. Such fees for processing court proceedings may be covered in the limit for covered claims or covered in addition to the limit. Criminal charges, such as defense for the accused, may or may not be covered by the insurance company. Providers should carefully examine their policies to be sure they are covered for necessary criminal charges.

Policy Options Available: Refers to options and endorsements offered by the insurer as additions to the existing policy, such as coverage for sexual molestation. The addition of such an option may raise the price of an insurance premium.

Minimum/Maximum Limits: Refers to the minimum amount of insurance a provider can purchase and the smallest amount that the insurance company will pay. The maximum limit is the maximum amount of insurance that can be purchased, or the highest dollar value that an insurance company is willing to pay.

Per occurrence means per accident. For example, if five people are hurt and the maximum limit is $1,000,000, up to $1,000,000 may be paid to all five people. If one person is hurt, that person may be paid up to $1,000,000 in damages.

The minimum/maximum sums per policy period are those amounts covered by the insurance company for multiple claims during the time an *occurrence policy* is or was in effect. For *claims made policies*, the minimum/maximum limits apply only to claims made during the specified policy period (see glossary, page 63, for additional information).

Minimum Premium: Refers to the smallest acceptable dollar amount for which an insurance company will write a policy. In those instances where the minimum premium is "none," the minimum premium will vary depending on the limit requested by the insured, the base rate established by the state, and the state and territory in which the child care provider resides.

Standards & Requirements: Lists any standards or requirements which the insurance company follows, such as state regulations, association quality standards and an insurance company's own standards.

Other Features: Lists miscellaneous services the insurance company may provide, such as risk-management seminars, educational brochures, videos and seminars.

Who Markets the Program: Provides information on whether the insurance program is marketed by *Independent Agents, Local Brokers, Managing General Agents,* and/or *Surplus Carriers* (see glossary for definitions).

CHILD CARE LIABILITY INSURANCE POLICIES

INSURANCE COMPANY	STATES WHERE ADMITTED	POLICY OFFERED	CHILD CARE PROGRAMS COVERED: Family Day Care	Center	Employer-Sponsored	Other[1]	Licensed Care	Unlicensed Care	POLICY INCLUDES: Professional Liability	Fire Damage	Property Damage	Personal Injury	Automobile	Handicapped	Asbestos	Contract Liability	Sexual Molestation	Sexual Molestation by endorsement	Corporal Punishment	Corporal Punishment by endorsement	Accident/Medical	MINIMUM PREMIUM	PROFILED ON PAGE
Aetna Life & Casualty (Program 1)	ALL & DC	Occurrence	✔				✔			✔	✔	✔		✔	✔						✔	NONE	24
Aetna Life & Casualty (Program 2)	ALL	Occurrence				✔	✔	✔			✔	✔		✔		✔		✔			✔	$200-$250	24
Aetna Life & Casualty (Program 3)	ALL but AK, HI, PR,TX	Occurrence				✔	✔	✔			✔	✔		✔		✔		✔			✔	$200-$250	24
Aetna Life & Casualty (Program 4)	ALL but HI, IL ,KS, NE, NJ	Occurrence		✔		✔	✔			✔	✔	✔		✔		✔					✔	$150	24
Allstate	ALL but MA	Occurrence/Claims Made	✔		✔	✔	✔			✔	✔	✔	✔			✔				✔		ISO[2] Standard	27
Bolton & Co.	NONE	Occurrence	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔		✔	$500	28
Capitol Indemnity	24	Several	✔	✔	✔	✔	✔	✔		✔	✔			✔		✔	✔				✔	$160	29
Chubb & Son	ALL	Occurrence/Claims Made	✔		✔	✔	N/A	N/A			✔	✔	✔	✔		✔	✔		✔			$500	30
Cigna Corp.	ALL	Occurrence/Accident		✔	✔	✔	✔		✔	✔	✔	✔	✔	✔		✔					✔	$250	31
CNA	Varies by Company Name	Occurrence/Claims Made		✔		✔	✔			✔		✔	✔	✔	✔	✔			✔		✔	NONE	33
Fireman's Fund	CA	Claims Made		✔			✔			✔						✔						$250	35
Frontier	29 & DC	Several	✔	✔	✔	✔	✔		✔	✔	✔	✔	✔	✔		✔	✔					$550*-$750**	36
Geico	NONE	Occurrence			✔		✔	✔				✔									✔	Varies by State	38
General Accident	ALL but MA	Occurrence		✔		✔	✔			✔	✔	✔				✔						ISO[2] by State	39
General Star	33	Occurrence/Claims Made		✔	✔	✔	✔		✔	✔	✔	✔		✔			✔		✔		✔	$500-$700	40
Guaranty National	TX	Occurrence		✔			✔				✔		✔	✔						✔		$500	42
ITT Hartford	ALL	Occurrence/Accident		✔		✔	✔			✔	✔	✔		✔	✔	✔					✔	NONE	43
Lexington (Program A)	NONE	Occurrence/Claims Made		✔		✔	✔			✔	✔	✔		✔		✔	✔		✔			$25,000	44
Lexington (Program B)	NONE	Occurrence/Claims Made			✔		✔	✔	✔	✔	✔	✔	✔	✔		✔	✔		✔		✔	$1,000-$3,000	44
Nautilus	AZ	Occurrence	✔	✔	✔	✔	✔		✔		✔		✔									$650	47
Northland	NONE	Occurrence	✔	✔	✔	✔	✔		✔	✔	✔	✔		✔	✔	✔		✔		✔	✔	$500	48
Reliance	ALL but MA[3]	Occurrence		✔	✔	✔	✔			✔	✔	✔		✔		✔			✔		✔	$2,500	50
Scottsdale	AZ, DE, OH	Occurrence	✔	✔	✔	✔	✔				✔				✔			✔				$250	52
Specialty Underwriters	See Profile	Occurrence	✔	✔	✔	✔	✔	✔	✔		✔											$400-$1,000	54
St. Paul (Program 1)	ALL	Occurrence	✔				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NONE	56
St. Paul (Program 2)	ALL	Occurrence		✔	✔	✔										✔		✔				NONE	56
State Farm (Program A)	ALL	Occurrence	✔								✔	✔									✔	Approx. $35	58
State Farm (Program B)	ALL	Occurrence				✔					✔	✔									✔	Varies	58
U.S. Investment Group	Varies by Company Name	Occurrence	✔	✔	✔	✔	✔		✔	✔	✔	✔		✔				✔				$350	60
Western World	NH	Occurrence	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔		✔						$500	62

* Family & group day care
** Commercial child care

1: Other care may include for profit, non-profit, church sponsored, Head Start group child care, and overnight care. 2: Insurance Services Office (see glossary)

3: Reliance will not write child care liability insurance in Alaska, Hawaii, Massachusetts, Nebraska, and New Jersey.

BEST COPY AVAILABLE

Directory of Insurance Companies That Underwrite Child Care

25 Company Profiles

AETNA LIFE & CASUALTY GROUP
151 Farmington Avenue
Hartford, Connecticut 06156
(203) 273-0123

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: All 50, including Washington, DC.

BEST RATING: A

TYPES OF PROGRAMS ELIGIBLE: Family Day Care, Church-Sponsored Care, Church Package Policy, All Other Care.

1. Family Day Care:

Insurance is provided only as an *endorsement* to the company's homeowner policy.

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children, if provider has had special training; (b) licensed care; (c) *property damage*; (d) *personal injury*; (e) asbestos; (f) *accident/medical* up to the maximum limit of $1,000 per person per occurrence; and (g) *fire* damage to the maximum occurrence limit that is written.

POLICY EXCLUDES: (a) unlicensed care; (b) *contract liability*; (c) *automobile*; (d) professional liability; (e) sexual molestation; and (f) corporal punishment.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

POLICY OPTIONS AVAILABLE: *Accident/medical* can be increased to $2,000 per person, per occurrence.

MINIMUM/MAXIMUM LIMITS: per occurrence: $100,000/$500,000
per policy period: $100,000/$500,000

MINIMUM PREMIUM: None

STANDARDS & REQUIREMENTS: Staff/child ratios determined by state regulations.

Company requires completion of a questionnaire.

Company may require inspection of the premises, depending upon state's inspection requirements.

OTHER FEATURES: N/A

2. General Liability Policy[7]

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed and unlicensed care; (c) *property damage*; (d) *personal injury* to the maximum limit of the policy; (e) *contractual liability* to the maximum limit of the policy; (f) *accident/medical* with policy exclusions applying.

POLICY EXCLUDES: (a) *automobile*; (b) *professional liability*; (c) sexual molestation, but offers coverage in the form of an *endorsement* to the policy limit; (d) corporal punishment; (e) *fire* damage; (f) asbestos.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

POLICY OPTIONS AVAILABLE: (a) *automobile liability* coverage for non-owned and hired automobiles; (b) Pastor's *Professional Liability*.

MINIMUM/MAXIMUM LIMITS:
per occurrence: $300,000 CSL[8]/$1,000,000 CSL
per policy period: $300,000 CSL/$1,000,000 CSL
per person: $300,000 CSL/$1,000,000 CSL

MINIMUM PREMIUM: $200-$250

STANDARDS & REQUIREMENTS: Staff/child ratios determined by state regulations.

Company requires completion of a questionnaire.

3. Church Package Policy

The Church Package Policy is intended to cover child care incidental to church activities and primarily for children of church members. While similar to the *General Liability Policy* that covers church-sponsored care, the Church Package Policy also includes built-in property/liability coverages and offers various options typically needed by churches. In addition, the Church Package Policy includes medical payments according to *general liability* limits.

Unlike the *General Liability Policy*, the Church Package Policy is not available in Alaska, Puerto Rico, Hawaii or Texas.

The Church Package Policy does not exclude sexual molestation. However, sexual molestation may be excluded optionally by endorsement based on underwriting analysis and decision.

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[7] Church-Sponsored Care may be filed under Aetna's General Liability Policy or under its Church Package Policy.

[8] Combined Single Limit: one limit for both Bodily Injury and Property Damage Liability.

The Church Package Policy is offered as an *occurrence policy* with minimum/maximum limits ranging from $300,000 CSL/$4,000,000 CSL per occurrence and a *minimum premium* ranging from $200 to $250.

Non-owned and hired auto coverages are options that are available, subject to standard *exclusions* and underwriting requirements.

4. All Other Care:

This refers to commercial child care centers: on-site, near-site; and for-profit and non-profit centers.

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: Will not write coverage in Hawaii, Illinois, Kansas, Nebraska and New Jersey.

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed care; (c) *property damage*; (d) *personal injury* to the maximum limit of the policy; (e) *contractual liability* to the maximum limit of the policy; (f) *fire damage liability* to the maximum "occurrence" limit. Fire damage liability limit of $50,000 per fire ($25,000 if occurrence limit is less than $50,000). Higher limits are available for an additional charge; (g) *accident/medical* of $5,000 per person, excluding enrolled children/attendees (adults enrolled in a center, such as in the case of intergenerational child care). Higher limits and coverage for attendees are available for an additional charge.

POLICY EXCLUDES: (a) sexual molestation; (b) corporal punishment; (c) unlicensed care; (d) asbestos; (e) *automobile*.

MINIMUM/MAXIMUM LIMITS:
per occurrence: $25,000/none
per policy period: $50,000/none
per person: $25,000/none

MINIMUM PREMIUM: $150

STANDARDS & REQUIREMENTS: Staff/child ratios determined by state regulations.

Company requires completion of a questionnaire.

Company conducts an engineering safety inspection of the premises and equipment.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: *Independent Agents*

ALLSTATE INSURANCE COMPANY
51 West Higgins Road
South Barrington, Illinois 60010
(708) 551-2000

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: All but Massachusetts

BEST RATING: A+ XV

TYPES OF PROGRAMS ELIGIBLE: Church-Sponsored Care, Employer-Sponsored (on/near-site), Family Day Care.

TYPES OF POLICIES: Occurrence, Claims Made

POLICY INCLUDES (for both occurrence and claims made):
(a) licensed care; (b) *property damage*; (c) *personal injury* up to a maximum of the policy limits; (d) *contractual liability* up to the maximum of the policy limits; (e) *fire* damage up to the value on the declarations; (f) *automobile*.

POLICY INCLUDES (for claims made only): (a) *prior acts*; (b) *extended reporting* period; (c) "unlimited" *extended reporting period*; (d) *refreshed aggregate*.

POLICY EXCLUDES (for both occurrence and claims made):
(a) care of retarded or handicapped children; (b) unlicensed care; (c) corporal punishment, but offers coverage in the form of an *endorsement* up to the policy limit; (d) *accident/medical*; (e) *professional liability*; (f) asbestos; (g) sexual molestation; (h) abuse.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS: per occurrence: $25,000/$1,000,000
per policy period: $50,000/$2,000,000

MINIMUM PREMIUM: *Insurance Services Office (ISO)* standard

STANDARDS & REQUIREMENTS: Staff/child ratios determined by state regulations and National Fire Protection Association and specific insurance company requirements.[9]

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: Allstate and Northbrook Property & Casualty

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[9] The National Fire Protection Association publishes a multi-volume book of codes for building standards. These standards include child/staff ratios, number of emergency exits, emergency lighting, and standards for building construction.

BOLTON & CO.
455 South 4th Ave.
Suite 1045
Starks Building
Louisville, Kentucky 40202
(502) 583-8361

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: None

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Family Day Care, Centers (for-profit and non-profit, church-sponsored, employer-sponsored on/near-site).

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed and unlicensed care; (c) *property damage*; (d) asbestos; (e) *personal injury* within policy limits; (f) *accident/medical*; (g) *automobile*; (h) *professional liability* as covered by standard *Insurance Services Office* without removing prior coverages; (i) *contractual liability* within policy limits; (j) by *endorsement*, sexual molestation up to the maximum of $1,000,000; (k) corporal punishment; (l) fire up to $100,000.

LEGAL FEES: Insurance company will pay fees are in addition to the limit for all covered claims, including criminal charges.

MINIMUM/MAXIMUM LIMITS:
per occurrence: $100,000/$1,000,000
per policy period: $100,000/$1,000,000
per person: $100,000/$1,000,000

MINIMUM PREMIUM: $500

STANDARDS & REQUIREMENTS: Staff/child ratios are determined by state regulations.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: Local *Agents*

CAPITOL INDEMNITY CORPORATION
P.O. Box 5900
Madison, Wisconsin 53705
(608) 231-4450

STATES WHERE ADMITTED TO WRITE CHILD CARE: Alabama, Arizona, Arkansas, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Washington, Wisconsin.

BEST RATING: A

TYPES OF PROGRAMS ELIGIBLE: Family Day Care, Centers (for-profit, non-profit, church-sponsored, employer-sponsored on/near-site), Group Child Care, Overnight Care.

TYPE OF POLICY: (a) *commercial policy package format*; (b) occurrence, medical payments policy[10]; (c) *products liability*; (d) premises and operations liability; (e) *errors and omissions*; (f) incidental medical malpractice; (g) *non-owned/hired auto*; (h) *personal injury.*

POLICY INCLUDES: (a) licensed care; (b) unlicensed care; (c) *fire damage*; (d) *property damage*; (e) care of handicapped children; (f) *contractual liability*; (g) *accident/medical*; (h) sexual/physical abuse; (i) *errors and omissions and professional liability* are optional coverages.

POLICY EXCLUDES: asbestos.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims.

POLICY OPTIONS AVAILABLE: (a) abuse and molestation; (b) *errors and omissions*; (c) *professional*; (d) *hired and non-owned auto.*

MINIMUM/MAXIMUM LIMITS: per occurrence: $1,000,000/$2,000,000
per policy period: $1,000,000/$2,000,000

MINIMUM PREMIUM: $160 and up. Varies by territory, size and coverages.

STANDARDS & REQUIREMENTS: Must be licensed, certified or inspected. Will not underwrite child care facilities where there are swimming pools, or where children have contact with pets.

OTHER FEATURES: *Umbrella coverage* of $1 to $5 million is available. There are no *Bodily Injury* or *Property Damage deductibles.*

WHO MARKETS PROGRAM: *Independent Agents*

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[10] Capitol Indemnity Corporation will cover medical payments up to $5,000 per person for injuries that occurred as a result of the operation of the facility.

CHUBB & SON INC.
15 Mountain View Road
P.O. Box 1615
Warren, New Jersey 07061-1615
(908) 580-2516

Company underwrites child care liability only when child care is ancillary to other business operations. Company does not solicit underwriting for child care providers/facilities.

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: All 50, including Washington, DC.

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Employer-Sponsored On/Near Site, Church-Sponsored Care, Family Day Care subject to underwriting consideration.

TYPES OF POLICIES: Occurrence, Claims Made.

POLICY INCLUDES: (a) *bodily injury*; (b) *property damage*; (c) *personal injury*; (d) *automobile*; (e) care of handicapped children; (f) *contractual liability*; (g) sexual molestation and corporal punishment based on jurisdiction in state or territory as well as individual underwriting assessment.

POLICY EXCLUDES: (a) *professional liability*; (b) asbestos; (c) *accident/medical*.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS: per occurrence: $500,000/$2,000,000
per policy period: $500,000/$2,000,000

MINIMUM PREMIUM: Approximately $500. Varies by state.

STANDARDS & REQUIREMENTS: N/A

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: Licensed *Agents and Brokers*

CIGNA CORPORATION
1601 Chestnut Street
2 Liberty Place
Philadelphia, Pennsylvania 19192
(215) 761-1000
(800) 523-2710, In Pennsylvania: (800) 643-2020

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: All

BEST RATING: A

TYPES OF PROGRAMS ELIGIBLE: Centers (for-profit, non-profit, employer-sponsored, on/near-site).

TYPES OF POLICIES: Occurrence, Accident

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed care; (c) *property damage*; (d) *personal injury* up to $1,000,000 per occurrence; $2,000,000 aggregate[11]; (e) *contractual liability* up to $1,000,000 per occurrence; $2,000,000 aggregate; (f) *fire damage* up to $1,000,000 per occurrence; $2,000,000 aggregate; (g) *accident/medical* payments; (h) *automobile*; (i) *professional liability* in the form of teacher's liability coverage.

POLICY EXCLUDES: (a) sexual molestation; (b) corporal punishment; (c) unlicensed care; (d) asbestos.

LEGAL FEES: Insurance company will pays fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

POLICY OPTIONS AVAILABLE: Molestation and abuse up to $50,000 per occurrence; $100,000 aggregate.

MAXIMUM LIMITS: per occurrence: $1,000,000
per policy period: $2,000,000

The above are limits for standard coverages. Higher limits may be available on an individual risk basis.

MINIMUM PREMIUM: $250

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[11] Aggregate refers to multiple claims per policy period i.e., if more than one person was involved in an incident or if several incidents are called into question.

STANDARDS & REQUIREMENTS: Since 1985, the CIGNA Companies program has been endorsed by the National Association for the Education of Young Children (NAEYC). CIGNA Companies program has been writing insurance specifically for NAEYC members since 1985, using CIGNA requirements in addition to NAEYC accreditation standards.

OTHER FEATURES: The company provides customized risk-management services, including evaluations and consulting, educational brochures, videos and seminars.

A 24-hour claims service is provided through a nationwide network of claims centers.

WHO MARKETS PROGRAM: *Independent Agents*

CNA INSURANCE COMPANIES
CNA Plaza
Chicago, Illinois 60685
(312) 822-7898

STATES WHERE ADMITTED TO WRITE CHILD CARE:

In all states under the following company names:

Continental Casualty Company
Transportation Insurance Company
National Fire Insurance Co. of Hartford
Transcontinental Insurance Company
American Casualty Co. of Reading

In all states except Hawaii under the company name:

Valley Forge Ins. Co.

In Arizona, California, Nevada and Maryland under the company name:

CNA Casualty of California

In Illinois under the company name:

Columbia Casualty Co.

In Texas under the company name:

CNA Lloyd's of Texas

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Centers (for-profit, non-profit, and church-sponsored).

TYPES OF POLICIES: Occurrence, Claims Made

POLICY INCLUDES (for both occurrence and claims made): (a) licensed care; (b) asbestos, though may be excluded by *endorsement*; (c) *personal injury*, which is covered automatically, is the basic policy form; (d) *contractual liability*, which is covered automatically in the basic policy form; (e) corporal punishment; (f) *fire damage*, which is covered automatically in the basic policy form; and (g) *automobile*, though exclusions may apply.

POLICY INCLUDES (for claims made only): (a) *prior acts; (b) extended reporting; (c) "unlimited" extended reporting.*

POLICY EXCLUDES (for both occurrence and claims made):
(a) unlicensed care; (b) *property damage*; (c) *professional liability*; (d) *accident/medical* (although may be included, subject to underwriting approval, for an additional premium); (e) sexual molestation.

POLICY EXCLUDES (for claims made only): *refreshed aggregate.*

LEGAL FEES: Insurance company will pay fees within the policy limit. When in excess of the limit, CNA will only cover defense costs. Company does not cover criminal charges.

MINIMUM/MAXIMUM LIMITS: per occurrence: $300,000/$1,000,000
per policy period: $300,000/$1,000,000

MINIMUM PREMIUM: None

STANDARDS & REQUIREMENTS: Policy includes care of retarded or handicapped children only when provided for a group of such children on a regular basis.

Staff/child ratios:

2 yrs. and under:	1 adult to 4 children
Over 2 yrs:	1 adult to 7 children

In addition to normal code requirements set by state regulatory agencies, CNA also requires the center to be at ground level with fenced outside play areas, regular fire drills, reference and criminal record checks and annual employee physicals.

WHO MARKETS PROGRAM: Own agency force

OTHER FEATURES: N/A

FIREMAN'S FUND INSURANCE CO.
777 San Marin Drive
Novato, California 94998
(415) 899-2000

STATES WHERE ADMITTED TO WRITE CHILD CARE: California

Company only underwrites child care liability for Cal-Care, a Marketing Assistance Plan in California.

BEST RATING: A XV

TYPE OF PROGRAM ELIGIBLE: Centers

TYPE OF POLICY: Claims Made

POLICY INCLUDES: (a) licensed care; (b) *extended reporting*; (c) "unlimited" *extended reporting*; (d) *refreshed aggregate*; (e) *contractual liability*; (f) *fire damage*.

POLICY EXCLUDES: (a) unlicensed care; (b) *prior acts*; (c) medical payments; (d) abuse/molestation; (e) *automobile*.

LEGAL FEES: Insurance company will pay for defense and investigative costs in addition to the limit for all covered claims.

POLICY OPTIONS AVAILABLE: N/A

MAXIMUM LIMITS: per claim: $100,000
per policy period: $300,000

MINIMUM PREMIUM: $250

STANDARDS & REQUIREMENTS: Staff/child ratios are determined both by state regulations and the standards of the National Fire Protection Association.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: Independent Insurance Agent Brokers of California (IIABC)

FRONTIER INSURANCE COMPANY
196 Broadway
Monticello, New York 12701-5016
(914) 796-2100

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: Arkansas, California, Colorado, Delaware, District of Columbia, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Mississippi, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Vermont, West Virginia and Wyoming.

BEST RATING: B+

TYPES OF PROGRAMS ELIGIBLE: Family Day Care (only in New York), Commercially Licensed Centers (for-profit, non-profit; church-sponsored and employer-sponsored, on/near-site) and Head Start programs.

TYPES OF POLICIES: *General Liability, Property,* Workers Compensation, *Umbrella and Accident/ Medical.*

POLICY INCLUDES: (a) care of retarded or handicapped children subject to company review; (b) licensed care; (c) *property damage*; (d) *automobile for non-owned/hired-car coverage* only, and is available only on a limited basis; (e) *professional liability*; (f) molestation; (g) *personal injury* up to the maximum limit of $1,000,000; (h) *contractual liability* up to the maximum limit of $1,000,000 (with limitations) and subject to company review; (i) *fire damage* up to the maximum limit of $50,000.

POLICY EXCLUDES: (a) medical payments to children; (b) corporal punishment; (c) damages assumed in an insured contract.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

POLICY OPTIONS AVAILABLE: Company encourages clients to purchase *accident/medical* coverage for children and staff.

MAXIMUM LIMITS: per occurrence: $1,000,000
per policy period: $2,000,000

Limits for Property, Workers Compensation and *Accident/Medical* are variable and subject to individual underwritings assessment.

Company also will underwrite *umbrella coverage* up to an additional $2,000,000.

MINIMUM PREMIUM: $550 for family and group day care; $750 for commercial child care.

STANDARDS & REQUIREMENTS:

Staff/child ratios are determined by state regulations.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: Frontier underwrites insurance through their *managing general agent*, Markel Rhulen's Child Care Plus Program.

Markel Rhulen Underwriters and Brokers
217 Broadway
Monticello, New York 12701
(914) 794-8000, (800) 431-1270
Ext. 220 or 257

GEICO
1 GEICO Plaza
5260 Western Ave.
Washington, D.C. 20076-0001
(301) 986-2500

Company is a personal lines *(homeowners)* insurer and does not market or sell a specific child care liability policy.

However, certain states (Maryland, Montana, Tennessee and Washington) require that coverage be offered as an endorsement to a homeowner's policy. The principal use of the home, however, must be as a dwelling rather than as a child care facility. The endorsement may be offered in other states to company's homeowner customers, if requested.

The policyholder must meet specific eligibility guidelines, including favorable dwelling conditions and no employees.

STATES WHERE ADMITTED TO WRITE CHILD CARE: None

BEST RATING: N/A

TYPES OF PROGRAMS ELIGIBLE: Family Day Care as incidental to Geico's homeowner's policy.

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) licensed care; (b) unlicensed care; (c) *personal injury*; (d) *accident/medical.*

POLICY EXCLUDES: (a) corporal punishment; (b) sexual molestation; (c) *professional liability*; (d) *automobile*; (e) *contractual liability*; (f) *fire damage.*

LEGAL FEES: Insurance company will pay fees included in the limit for covered claims. Will not cover criminal charges.

MINIMUM/MAXIMUM LIMITS: per occurrence: $100,000/$500,000
per policy period: $100,000/$500,000

MINIMUM PREMIUM: Varies by state.

STANDARDS & REQUIREMENTS: Policyholder should not be caring for more than three children aside from their own, and must meet specific eligibility guidelines including favorable dwelling conditions and no employees.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: N/A

GENERAL ACCIDENT INSURANCE
436 Walnut Street
Philadelphia, Pennsylvania 19105
(215) 625-1050

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: All but Massachusetts.

Company will only underwrite child care centers if that center is associated with a risk it is already underwriting. For example, it will underwrite a church-sponsored center only if the company is also underwriting the church itself.

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Centers (for-profit, nonprofit and church-sponsored).

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) licensed care; (b) *property damage*; (c) *personal injury* up to the maximum limit of $1,000,000 per occurrence; (d) *contractual liability* up to the maximum limit of $1,000,000 per occurrence; (e) *fire damage* up to the maximum limit of $1,000,000 per occurrence.

POLICY EXCLUDES: (a) care of retarded or handicapped children; (b) unlicensed care; (c) *automobile*; (d) *professional liability*; (e) sexual molestation; (f) corporal punishment; (g) *accident/ medical*; (h) specified pollutants.

LEGAL FEES: Insurance company will pay fees in addition to the limit.

POLICY OPTIONS AVAILABLE: *Accident/Medical*

MAXIMUM LIMITS:
per occurrence: $1,000,000
per policy period: $1,000,000
per person: $1,000,000

MINIMUM PREMIUM: *Insurance Service Office*, varies by state.

STANDARDS & REQUIREMENTS: Staff/child ratios are determined by the standards of the National Fire Protection Association.[12]

Prospective *insured* must meet all national life safety standards and building codes.

OTHER FEATURES: N/A

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[12] The National Fire Protection Association publishes a multi-volume book of codes for building standards. These standards include child/staff ratios, number of emergency exits, emergency lighting, and standards for building construction.

GENERAL STAR NATIONAL INSURANCE COMPANY
One Financial Plaza
Hartford, Connecticut 06103
(203) 297-4100

STATES WHERE ADMITTED TO WRITE CHILD CARE: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, West Virginia and the District of Columbia. A similar program may be available in the remaining states on a *surplus lines* basis with General Star Indemnity Company. Have your agent or broker contact General Star's agent, Professional Coverage Managers, Inc. for further information.

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Licensed Centers (for-profit, non-profit, church-sponsored, employer-sponsored, on/near-site), Head Start programs.

TYPES OF POLICY: Claims Made for *Bodily Injury, Property Damage,* Abuse/Molestation and Corporal Punishment; Occurrence for *Personal and Advertising Injury.*

POLICY INCLUDES: (a) care of retarded or handicapped children when incidental; (b) licensed care; (c) *property damage*; (d) *personal injury* with a specific coverage grant up to a maximum limit of $1,000,000; (e) medical payments with limits of $2,000 for any one person and $5,000 for any one accident; (f) *professional liability* only with respect to a nursing professional employed by the insured on an incidental basis; (g) sexual molestation with a specific coverage grant up to the maximum limit of $1,000,000; (h) corporal punishment with a specific coverage grant up to the maximum limit of $1,000,000; (i) *fire damage* to the maximum limit of $50,000; (j) *prior acts* coverage if a continuous claims made coverage has been in effect; (k) basic *extended reporting* period of three years without an additional charge; a supplemental extended reporting period of unlimited duration is available with a *refreshed aggregate* for an additional charge.

POLICY EXCLUDES: (a) unlicensed care; (b) asbestos; (c) *contractual liability*; (d) *automobile.*

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS: per occurrence: $300,000/$1,000,000
per policy period: $300,000/$2,000,000

Company also offers $500,000 per occurrence per policy period

MINIMUM PREMIUM: $500 for $300,000 limit
$600 for $500,000 limit
$700 for $1,000,000 limit

WHO MARKETS PROGRAM:

Professional Coverage Managers, Inc.
130 William Street
New York, New York 10038
(212) 619-4900

Primary underwriting and policy issuance is done by General Star's agent, Professional Coverage Managers, Inc. (PCM). PCM accepts business exclusively from licensed agents and brokers.

STANDARDS & REQUIREMENTS: Staff/child ratios are determined by state regulations.

Policy does not contain a *deductible*.

Company has established its own underwriting standards.

OTHER FEATURES:

Insureds are provided risk management materials that they may keep, and may be loaned a videotape on risk-management. Insureds may have the opportunity to attend a one day loss control seminar, depending upon the number of insureds who can attend in their area. The tuition for the seminar is free.

GUARANTY NATIONAL INSURANCE
P.O. Box 3329
Englewood, Colorado 80155-3329
(303) 790-8200

STATE WHERE ADMITTED TO WRITE CHILD CARE POLICIES: Texas

BEST RATING: A VII

TYPE OF PROGRAMS ELIGIBLE: For-profit Centers

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed care; (c) *automobile*; (d) *property damage*.

POLICY EXCLUDES: (a) unlicensed care; (b) *professional liability*; (c) sexual molestation; (d) corporal punishment, but offers coverage in the form of an *endorsement* to the maximum limit of $1,000,000; (e) *fire* damage.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims, including criminal charges.

MINIMUM/MAXIMUM LIMITS: per occurrence: $300,000/$1,000,000
per policy period: $300,000/$1,000,000
per person: $300,000/$1,000,000

MINIMUM PREMIUM: $500

STANDARDS & REQUIREMENTS: Staff/child ratios are determined both by state regulations and the National Fire Protection Association.[13]

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: A *Managing General Agent* and a *Risk Purchasing Group*.

Company writes child care liability only in Texas for a risk purchasing group.

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[13] The National Fire Protection Association publishes a multi-volume book of codes for building standards. These standards include child/staff ratios, number of emergency exits, emergency lighting and standards for building construction.

ITT HARTFORD INSURANCE GROUP
Hartford Plaza
Hartford, Connecticut 06115
(203) 547-4215

STATES WHERE ADMITTED TO WRITE CHILD CARE: All

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Centers (for-profit) and Church-Sponsored

TYPES OF POLICIES: Occurrence, Accident

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed care; (c) *property damage*; (d) asbestos; (e) *personal injury* up to the maximum of the policy limits; (f) *contractual liability* up to the maximum of the policy limits; (g) *fire damage* up to the maximum of $300,000; (h) *accident/medical* payments to a maximum of $10,000 per accident.

POLICY EXCLUDES: (a) unlicensed care; (b) sexual molestation; (c) corporal punishment.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims, including criminal charges.

POLICY OPTIONS AVAILABLE: An *automobile policy* is available subject to underwriting assessments.

MAXIMUM LIMITS: per occurrence: $500,000
per policy period: $500,000

MINIMUM PREMIUM: None, although company will underwrite all claims less than $500,000.

STANDARDS & REQUIREMENTS:

Staff/child ratios:

Under 3 yrs:	1 adult to 4 or fewer children
3 yrs. through 5 yrs:	1 adult to 6 or fewer children
Over 5 yrs:	1 adult to 12.5 or fewer children

Child care must occur within a formal institutional, such as a school or church.

OTHER FEATURES: Company underwrites an accident insurance policy.

WHO MARKETS PROGRAM: *Independent Agents*

Company is not actively seeking new child care center risks, but is continuing on renewals subject to adherence to specific underwriting criteria.

LEXINGTON INSURANCE COMPANY
200 State Street
Boston, Massachusetts 02109
(617) 330-8335

STATES WHERE ADMITTED TO WRITE CHILD CARE: None

BEST RATING: A+ XV

Program A:

TYPES OF PROGRAMS ELIGIBLE: Centers (for-profit, non-profit, church-sponsored)

TYPES OF POLICY: Occurrence, Claims Made

POLICY INCLUDES (for both occurrence and claims made): (a) care of retarded or handicapped children; (b) licensed care; (c) *property damage*; (d) sexual molestation; (e) corporal punishment; (f) *personal injury* up to the maximum of $10,000,000; (g) *contractual liability* up to the maximum of $10,000,000; (h) *fire* up to the maximum of $10,000,000.

POLICY INCLUDES (for claims made only): *prior acts* and *extended reporting*.

POLICY EXCLUDES (for both occurrence and claims made):
(a) unlicensed care; (b) *accident/medical* payments; (c) *automobile*; (d) *professional liability*; (e) asbestos.

POLICY EXCLUDES (for claims made only): "unlimited" *extended reporting* and *refreshed aggregate*.

LEGAL FEES: Legal fees are included in the limit for all covered claims. Criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS:
per occurrence: $100,000/$10,000,000
per policy period: $100,000/$10,000,000
per person: $100,000/$10,000,000

MINIMUM PREMIUM: $25,000

STANDARDS & REQUIREMENTS: Staff/child ratios are determined by state regulations.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: Risk Specialist Companies Inc.
200 State Street
Boston, Massachusetts 02109
(617) 330-8451

Program B:

TYPES OF PROGRAMS ELIGIBLE: Employer-Sponsored On/Near-Site Centers

TYPES OF POLICY: Occurrence, Claims Made

POLICY INCLUDES (for both occurrence and claims made): (a) care of retarded or handicapped children; (b) licensed and unlicensed care; (c) non-owned automobile; (d) *property damage*; (e) *personal injury*, which is included in policy limit; (f) *professional liability* (with limitations); (g) sexual molestation to the maximum limit of $100,000; (h) corporal punishment, depending on class of risk; (i) *contractual liability*, which is included in policy limit; (j) *fire damage* up to a $50,000 maximum; (k) accidental death, disability; (l) *accident/medical* for volunteers and clients.

POLICY INCLUDES (for claims made only): *prior acts* and *extended reporting*.

POLICY EXCLUDES (for both occurrence and claims made): asbestos.

POLICY EXCLUDES (for claims made): "unlimited" *extended reporting* and *refreshed aggregate*.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS: per occurrence: $1,000,000/$3,000,000

MINIMUM PREMIUM: $1,000 to $3,000

STANDARDS & REQUIREMENTS:

Staff/child ratios are determined by the company.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM:

National Insurance Professionals Corp.
2601 Fourth Avenue, Suite 200
Seattle, Washington 98121
(206) 441-7960

NATIONWIDE GROUP
1 Nationwide Plaza
Columbus, Ohio 43216
(614) 249-7111

Company owns Scottsdale Insurance Company and all child care insurance is written according to the Scottsdale underwriting. See Scottsdale Insurance Company profile, page 52.

NAUTILUS INSURANCE COMPANY
7550 East Redfield Road
Scottsdale, Arizona 85260
(602) 951-0905

STATES WHERE ADMITTED TO WRITE CHILD CARE: Arizona

BEST RATING: A+ V

TYPES OF PROGRAMS ELIGIBLE: Family Day Care (on a limited basis) and Centers (for-profit, non-profit, church-sponsored, employer-sponsored on/near-site).

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) possibility of coverage for care of retarded or handicapped children; (b) licensed care; (c) *professional liability*, with the following *exclusions*: medical malpractice and dishonest, fraudulent, criminal or malicious acts or omissions; (d) *property damage*.

POLICY EXCLUDES: (a) unlicensed care; (b) *accident/medical*; (c) *automobile*; (d) sexual molestation; (e) corporal punishment; (f) asbestos.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. The insured may be required to pay a deductible. Criminal charges are not covered claims.

POLICY OPTIONS AVAILABLE: (a) *personal injury* to a maximum limit of $1,000,000; (b) *contractual liability* to a maximum limit of $1,000,000; (c) *fire damage* to a maximum limit of $250,000.

MINIMUM/MAXIMUM LIMITS: per occurrence: $100,000/$1,000,000
per policy period: $100,000/$1,000,000

MINIMUM PREMIUM: $650

STANDARDS & REQUIREMENTS: Staff/child ratios are determined by state regulations subject to company's standards.

Child care liability can either be purchased by itself or in conjunction with property.

Underwriting standards include formalized employee screening, procedures for documentation of medical conditions and dispensing of medication, play areas that are properly fenced and meet appropriate governmental codes.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: *Managing General Agent*

NORTHLAND INSURANCE COMPANY
1295 Northland Drive
Mendota Heights, Minnesota 55120
(612) 688-4204

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: None

Company will not write child care liability insurance in Florida, Hawaii, Massachusetts, New Hampshire, New Jersey and New York.

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Family Day Care, Centers (for-profit, non-profit, church-sponsored, employer-sponsored on/near-site).

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed care; (c) *property damage*; (d) asbestos; (e) *personal injury* up to the maximum limit of $1,000,000; (f) *contractual liability* up to the maximum limit of $1,000,000; (g) *fire damage* up to the maximum limit of $100,000; (h) accident up to the limit of $1,000 per person with a $100 deductible; (i) *professional liability*, though it may not be written alone and must be in place or personal injury must be excluded.

POLICY EXCLUDES: (a) unlicensed care; (b) sexual molestation, but offers coverage in the form of an *endorsement* up to the maximum limit of $50,000; (c) corporal punishment, but offers coverage in the form of an endorsement up to the maximum limit of $100,000; (d) trampolines; (e) *automobile*; (f) dogs.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims.

MINIMUM/MAXIMUM LIMITS:
per occurrence: $25,000/$1,000,000
per policy period: $25,000/$1,000,000
per person: $25,000/$1,000,000

MINIMUM PREMIUM: $500

STANDARDS & REQUIREMENTS:
Staff/child ratios are as follows:

Up through 6 mos:	1 adult to 3 infants
7 mos. through 24 mos:	1 adult to 5 infants
Over 2 yrs. through 5 yrs:	1 adult to 8 children
Over 6 yrs.:	1 adult to 10 children

Company has own underwriting criteria.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: *Managing General Agents*

RELIANCE INSURANCE COMPANY
Reliance Specialty Programs
One Penn Center Plaza
Philadelphia, Pennsylvania 19103
(215) 636-8537

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: All but Massachusetts.

Company will not write child care liability insurance in Alaska, Hawaii, Massachusetts, Nebraska, and New Jersey.

BEST RATING: A-

TYPES OF PROGRAMS ELIGIBLE: Centers (for-profit, non-profit, church-sponsored, employer sponsored on/near-site).

TYPES OF POLICIES: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children if incidental; (b) licensed care; (c) *property damage*; (d) *personal injury* up to the maximum of $1,000,000; (e) *contractual liability* up to the maximum of $1,000,000; (f) *fire damage* with an automatic limit of $50,000 with an option to purchase up to $1,000,000; (g) *accident/medical* as standard medical payments coverage under the CGL[14] policy; (h) corporal punishment.

POLICY EXCLUDES: (a) unlicensed care; (b) *professional liability* in the form of Medical Professional Liability (Teachers Professional Liability is specifically not mentioned as provided, however it is <u>not</u> excluded); (c) sexual molestation; (d) asbestos.

A separate sexual molestation policy is available when a total account is written.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

POLICY OPTIONS AVAILABLE: *Automobile* coverage including vans and buses.

MINIMUM/MAXIMUM LIMITS: per occurrence: $1,000,000
per policy period: $1,000,000/$2,000,000

Umbrella liability up to $4,000,000 offered on an optional basis.

Coverage is provided only as part of a package. Property and liability are mandatory coverages.

MINIMUM PREMIUM: $2,500

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[14] Comprehensive General Liability

STANDARDS & REQUIREMENTS: Staff/child ratios determined by state regulations.

OTHER FEATURES:

Safety brochures and self-inspection forms are provided for most centers the company underwrites.

Risk management seminars and audio/visual materials are available upon request.

WHO MARKETS PROGRAM:

THOMCO
P.O. Box 723035
Atlanta, Georgia 30339
(800) 476-4940

SCOTTSDALE INSURANCE COMPANY
P.O. Box 4110
Scottsdale, Arizona 85261
(602) 948-0505
(800) 423-7675

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: Arizona, Delaware, and Ohio.

BEST RATING: A+ XV

TYPES OF PROGRAMS ELIGIBLE: Family Day Care, Centers (for-profit, non-profit, church-sponsored, employer-sponsored on/near-site).

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed care; (c) *property damage;* (d) sexual molestation with a sub-limit of $25,000 per person;[15] $50,000 aggregate; (e) corporal punishment.

POLICY EXCLUDES: (a) unlicensed care; (b) *personal injury*; (c) *contractual liability;* (d) *fire*; (e) *accident/medical*; (f) *automobile*; (g) *professional liability*; (h) asbestos; (i) swimming pools.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims, including criminal charges.

POLICY OPTIONS AVAILABLE: (a) *personal injury* up to $1,000,000 upon request; (b) *contractual liability* up to $1,000,000 upon request; (c) *fire damage* up to $50,000 upon request.

MINIMUM/MAXIMUM LIMITS:
per occurrence: $25,000/$1,000,000
per policy period: $25,000/$1,000,000
per person: $25,000/$1,000,000

MINIMUM PREMIUM: $250 per location

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[15] A sub-limit is a sum that is outside the minimum/maximum limits.

STANDARDS & REQUIREMENTS:

Playground equipment must be fenced and secured.

Staff/child ratios:

1 mo. through 5 mos:	1 adult to 3 children
6 mos. through 11 mos:	1 adult to 5 children
1 yr. through 2 yrs:	1 adult to 7 children
3 yrs. through 7 yrs:	1 adult to 8 children
Over 8 yrs:	1 adult to 9 children

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: Scottsdale's *Managing General Agents*

SPECIALTY UNDERWRITERS AGENCY, INC.
400 TechneCenter Drive
Suite 400
Milford, Ohio 45150
(513) 831-7475
(800) 582-1883

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES: Separate corporate agencies in Indiana, Kentucky, Ohio, Pennsylvania, South Carolina, Tennessee and West Virginia.

BEST RATING: A

TYPES OF PROGRAMS ELIGIBLE: Family Day Care, Centers (for-profit, non-profit, church-sponsored, employer-sponsored on/near-site).

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed care; (c) unlicensed care, determined on an individual basis; (d) *professional liability*, with significant *exclusions* being *personal injury* and corporal punishment; (e) *property damage*.

POLICY EXCLUDES: (a) asbestos; (b) *personal injury*; (c) *contractual liability*; (d) *fire damage*; (e) *accident/medical*; (f) *automobile*; (g) sexual molestation coverage available by *endorsement* up to the maximum limit of $100,000; (h) corporal punishment coverage available by endorsement up to the maximum limit of $1,000,000.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims, including criminal charges.

MINIMUM/MAXIMUM LIMITS:
per occurrence: $100,000/$1,000,000
per policy period: $100,000/$1,000,000
per person: $100,000/$1,000,000

MINIMUM PREMIUM: $400 to $1,000

STANDARDS & REQUIREMENTS: Staff/child ratios determined by company and National Fire Protection Association.[16]

OTHER FEATURES: N/A

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[16] The National Fire Protection Association publishes a multi-volume book of codes for building standards. These standards include child/staff ratios, number of emergency exits, emergency lighting, and standards for building construction.

WHO MARKETS PROGRAM: Specialty Underwriters Agency, Inc. markets the program as a *Managing General Agent.*

ST. PAUL COMPANIES
385 Washington Street
St. Paul, Minnesota 55102
(612) 221-7911

STATES WHERE ADMITTED TO WRITE CHILD CARE: All

BEST RATING: A

TYPE OF PROGRAMS ELIGIBLE: Family Day Care. Company does not have formal programs for commercial or in-home child care centers, but looks at client on an individual risk basis.

TYPE OF POLICY: Occurrence

1. Family Day Care

POLICY INCLUDES:

For more information, contact St. Paul Companies

POLICY EXCLUDES: (a) *accident/medical*; (b) *professional liability*; (c) sexual molestation; (d) corporal punishment.

LEGAL FEES: Insurance Company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS: per occurrence: $100,000
per policy year: $500,000

MINIMUM PREMIUM: None

Coverage is written on a package policy basis and generally is limited to accounts with three or fewer children.

2. For All Other Care

POLICY INCLUDES: (a) sexual molestation, subject to Individual Risk Underwriting;[17] (b) corporal punishment, subject to Individual Risk Underwriting.

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[17] Individual Risk Underwriting is selective underwriting in which the insurance company examines the client's individual risks, and based on those risks, determines the degree of coverage needed. The client's financial history, how long the client has been in business, the quality of risk management services are examples of issues the insurance company may assess.

POLICY EXCLUDES: (a) *accident/medical*; (b) *professional liability.*

LEGAL FEES: Insurance company will pay for legal fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

MINIMUM PREMIUM: None

MINIMUM/MAXIMUM LIMITS: No standard minimum or maximum limit

STANDARDS & REQUIREMENTS:

Insured must comply with all license requirements.

Company develops standards on child care underwriting.

OTHER FEATURES FOR PROGRAMS:

Risk management services.

WHO MARKETS PROGRAMS: *Independent Agent*

STATE FARM FIRE & CASUALTY COMPANY
112 East Washington Street
Bloomington, Illinois 61701
(309) 766-2616

STATES WHERE ADMITTED TO WRITE CHILD CARE: All

BEST RATING: A+

Program A:

TYPES OF PROGRAMS ELIGIBLE: Family Day Care Providers: individuals who care for up to six children in the provider's home.

Policies offered that may include coverage for child care activities are: (a) Homeowners/Farm-Ranch; (b) Manufactured Home;[18] (c) Personal/Residence; (d) Personal Liability *Umbrella*.

TYPE OF POLICY OFFERED: Occurrence

POLICY INCLUDES: Liability for injury to persons or damage to property up to the maximums shown in the policy, including liability assumed under contract. *Accidental/Medical* (non-umbrellas). Policy limitations apply.

POLICY EXCLUDES: (a) coverage for liability arising out of the use of an auto (for non-umbrella policies); (b) corporal punishment if injuries caused are expected or intended; (c) *professional liability*; (d) sexual molestation by the insured, an employee, or anyone acting on the insured's behalf.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges and the defense of criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS:

Homeowners/Manufactured Homes/ Personal Residence:	per occurrence: $100,000/$300,000 per policy period: $100,000/no maximum
Personal Umbrella Policies:	per occurrence: $1,000,000/$1,000,000 per policy period: $1,000,000/no maximum

MINIMUM PREMIUM: Varies by state. The average is $35.

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[18] A Manufactured Home is a term coined by industry to describe a pre-built trailer or mobile-type home.

Program B:

TYPES OF PROGRAMS ELIGIBLE: Churches which provide child care as a normal part of church activities.

The policies offered that may include coverage for child care activities are: (a) Church Package; (b) Commercial Liability Umbrella.

POLICY INCLUDES: Liability for injury to persons or damage to property up to the maximum limit shown in the policy, including liability assumed under contract. *Accident/Medical* (non-umbrellas). Policy limitations apply.

POLICIES EXCLUDE: (a) coverage for liability arising out of the use of an auto (for non-umbrella policies); (b) corporal punishment unless purchased by *endorsement*; (c) *professional liability*; (d) sexual molestation with respect to an active participant; (e) liability arising out of pollution, including that which is caused by asbestos.

LEGAL FEES: Insurance company will pay fees in addition to the limit for covered claims. Criminal charges and the defense of criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS:

Church Package Policy:	per occurrence: $100,000/$100,000,000 per policy period: $200,000/$2,000,000
Commercial Umbrella Policies:	per occurrence: $1,000,000/$5,000,000 per policy period: $1,000,000/$5,000,000

MINIMUM PREMIUM: Price varies for church-sponsored care.

STANDARDS & REQUIREMENTS FOR PROGRAMS A & B:

Staff/child ratios are determined by the insurance company. Insurer considers staff qualifications, age, the number of children served, and the hours of operation when setting ratio requirements.

Applicant must meet all licensing requirements and local building and life safety codes.

OTHER FEATURES FOR PROGRAMS A & B: N/A

WHO MARKETS PROGRAMS: Company Sales Force

U.S. INVESTMENT GROUP OF INSURANCE COMPANIES
1030 Continental Drive
King of Prussia, Pennsylvania 19406
(215) 688-2535

STATES WHERE ADMITTED TO WRITE CHILD CARE POLICIES:

As United States Liability Insurance Company:

All states except: Alabama, Arkansas, Georgia, Hawaii, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Montana, Nebraska, New Hampshire, North Dakota, South Dakota, Tennessee, West Virginia and District of Columbia

As Mount Vernon Fire Insurance Company:

Delaware, Indiana, Kentucky, Massachusetts, New York and Pennsylvania

As U.S. Underwriters Insurance Company:

Delaware

U.S. Investment Group of Insurance Companies will not write child care liability insurance in California, Florida or Texas.

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Family Day Care, Centers (for-profit non-profit, church-sponsored, employer-sponsored on/near-site).

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed care; (c) *property damage*; (d) *personal injury* up to the maximum limit of $5,000,000; (e) *fire damage* up to the maximum limit of $50,000; (f) corporal punishment; (g) *professional liability*.

POLICY EXCLUDES: (a) unlicensed care; (b) asbestos; (c) *contractual liability*; (d) *accident/medical*; (e) *automobile*; (f) sexual molestation, but offers coverage in the form of an *endorsement* up to the maximum limit of $300,000.

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims. Fees are included in the limit for child molestation.

MINIMUM/MAXIMUM LIMITS: per occurrence: $25,000/$5,000,000

MINIMUM PREMIUM: $350

STANDARDS & REQUIREMENTS: Staff/child ratios determined by state regulations.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: *Excess/Surplus Line Brokers.*

WESTERN WORLD INSURANCE GROUP
48 S. Franklin Turnpike
Ramsey, New Jersey 07446
Contact: Ms. Margot Jones
(201) 825-3300, Ext. 317

STATES WHERE ADMITTED TO WRITE CHILD CARE: New Hampshire

BEST RATING: A+

TYPES OF PROGRAMS ELIGIBLE: Family Day Care, Centers (for-profit, non-profit, church-sponsored, employer-sponsored on/near-site).

TYPE OF POLICY: Occurrence

POLICY INCLUDES: (a) care of retarded or handicapped children; (b) licensed and unlicensed care; (c) *property damage*; (d) *personal injury* up to the maximum limit of $1,000,000; (e) *contractual liability* up to the maximum limit of $1,000,000; (f) *professional liability* (with limitations); (g) *fire damage* up to the maximum limit of $100,000.

POLICY EXCLUDES: (a) automobile; (b) sexual molestation, but offers coverage in the form of an *endorsement* up to the maximum limit of $100,000; (c) corporal punishment; (d) asbestos.

POLICY OPTIONS AVAILABLE: *Accident/Medical, Broad Form Comprehensive General Liability Endorsement.*

LEGAL FEES: Insurance company will pay fees in addition to the limit for all covered claims. Criminal charges are not covered claims.

MINIMUM/MAXIMUM LIMITS: per occurrence: $100,000/$1,000,000
per policy period: $100,000/$1,000,000

MINIMUM PREMIUM: $500

STANDARDS & REQUIREMENTS:

Staff/child ratios determined by company underwriters and are applied nationally.

Client must pass an independent safety inspection.

OTHER FEATURES: N/A

WHO MARKETS PROGRAM: *Managing General Agents*

VIII. GLOSSARY OF TERMS

The following definitions are provided to clarify the meanings of common insurance terms a child care provider is likely to encounter while designing and/or purchasing a child care liability insurance policy. Most of the terms can be found in the text of this report. A number of entries have been taken from the following publications:

1) "Dictionary of Insurance Terms," Harry W. Rubin, Ph.D., CLU, CPCU, Barron's Educational Series, Inc., New York 1987.

2) "Insurance and Risk Management: A Desk Top Manual," Buroff Publications, a Division of the Bureau of National Affairs, Inc. Washington, DC.

3) "Employer Centers and Child Care Liability Insurance," U.S. Department of Labor, Washington, DC, December 1989.

4) "Sharing the Risk: How the Nation's Businesses, Homes and Autos are Insured," Revised 3rd Ed. Insurance Information Institute, New York, NY, 1989.

5) "Dictionary of Insurance: 7th Revised Ed." Lewis E. Davids. Rowman & Littlefield Publishers, Inc. 1990.

6) "Am I Covered For...? A Comprehensive Guide To Insuring Your Non-Profit Organization." Mary L. Lai, T. Chapman, and E. Steinbock. Consortium for Human Services, Inc. San Jose, CA, 1992.

Accident/Medical: coverage for accidental injury, sickness or death. Benefits include paid hospital, medical and surgical expenses.

Additional Insured: a person, firm or entity, other than the Named Insured, who is protected against loss by the terms of the policy.

Admitted Carrier: an insurance company that is subject to regulation by the Insurance Department of a particular state. The Insurance Department can regulate rates, types of policy forms to be used and procedures followed. Admitted carriers are protected by the Guarantee Fund of the state. This is important because if an admitted carrier becomes insolvent, the Fund will pay for the existing claims of the insurance company. (See State Guaranty Fund.)

Advertising Injury: an injury arising out of oral or written publication of material that slanders or libels a person or organization, or violates a person's right of privacy.

Agency: an insurance sales office, usually owned by an independent business, but sometimes by a general agent or insurance company.

Agent: representative of the insurer in negotiating, servicing, or affecting insurance contracts; may be an independent contractor or an employee. Agents must hold a license from the Department of Insurance in the state(s) in which they transact business.

Aggregate Limit: the maximum dollar amount of coverage in force under a health insurance policy, a property damage policy or a liability policy. This maximum can be on an occurrence basis or for the life of the policy.

Arson: willful and deliberate burning of property.

Automobile Liability Insurance: coverage in the event an insured is liable for bodily injury or property damage by an automobile. A Personal Automobile Policy (PAP) and Business Automobile Policy (BAP) cover the judgments awarded, court costs and legal fees, up to the limits of the policy. Experts advise against driving an automobile without automobile liability insurance as a matter of common sense, and because many states require such a policy.

Bodily Injury Liability Insurance: protection arising out of the liability imposed upon the insured by law for damages because of bodily injury, sickness, or disease sustained by any person or persons other than employees.

Broker: a solicitor of insurance who does not represent a specific insurance company, but places orders for coverage with companies designated by the insured, or with companies of her/his own choosing. Brokers are licensed by the State Department of Insurance.

Broad Form Comprehensive General Liability Endorsement: an endorsement that adds up to 12 coverages to the Comprehensive General Liability (CGL.)

Business Automobile Policy (BAP): coverage for automobiles used by a business where a liability judgment arises out of the use of the automobile, or the automobile is subject to damage or destruction.

Carrier: an insurance company which "carries the insurance," or assumes the risk.

Claim: the demand for payment for a loss coming under the terms of an insurance policy.

Claims Made Policy: coverage that pays only if the event occurs while the policy is in effect and if a claim is filed or made during the policy term. Claims reported after the policy terminates are not covered.

Commercial General Liability Insurance (CGL): coverage against liability exposures of a business, unless specifically excluded. Coverage may, but does not often include products, completed operations, premises and operations, elevators and general contractors. Also referred to as Comprehensive General Liability Insurance.

Commercial Policy Package (CPP): package that combines property and casualty coverages for a business into one policy.

Comprehensive General Liability Insurance (CGL): coverage against liability exposures of a business, unless specifically excluded. Coverage may, but does not often include products, completed operations, premises and operations, elevators and general contractors (same as Commercial General Liability).

Contractual Liability: additional coverage for a specific exposure that the basic liability policy does not cover. For example, a child care center that works with an outside catering service may sign an agreement with the caterer making the caterer liable in the event of food poisoning. Contractual liability will cover claims based on such contracts and may be obtained for an additional premium.

Coverage: the protection provided under a contract of insurance.

Criminal Act: a crime against the state for which an officer of the state can bring legal action.

Damages: a sum of money claimed or awarded as compensation for loss or injury.

Deductible: the amount of loss that the insured pays in a claim.

Direct Writer: a person who represents only one company and sells only its policies.

Directors' and Officers' Liability Insurance: insures directors and officers of a for-profit or non-profit corporation, who may be sued as individuals for a negligent act or omission, a misstatement or misleading statement. Coverage is also provided for the costs of defense, such as legal fees and other court expenses.

Endorsement: a written agreement attached to a policy to add or remove insurance coverages. Once added, it will amend only the provision to which it applies.

Errors and Omissions Insurance: insurance that protects the insured against third party claims for loss sustained because of an error or oversight on the part of the insured.

Excess Line Carrier: an insurance carrier that provides insurance coverage usually unobtainable through an admitted carrier. Such carriers are subject to relatively little state regulation and provide most of the insurance for child care in this country. Also referred to as Surplus Carrier.

Exclusion: an item that is specifically not covered in an insurance policy.

Extended Reporting Endorsement: used in connection with claims made policies, and sometimes known as TAIL coverage. The claims made policy will not cover any claim reported after the termination date of the policy. When terminating a claims made policy, the provider must purchase an extended reporting endorsement which allows protection for incidents which occurred during the claims made policy period but are reported after the termination of the claims made policy, and during the extension of time provided by the reporting endorsement.

Fidelity Bond: a bond that will reimburse an insured against a dishonest act by an employee.

Fire Insurance: coverage that insures only against fire and lightening. The standard fire policy is known as the "165-line policy." An extended coverage endorsement, which covers such additional perils as windstorm, hail, smoke damage and vandalism, is commonly added to the policy.

Franchise Insurer: an individual or agency that places insurance for small groups who cannot meet general underwriting standards. Also referred to as Wholesaler.

General Agent: a name given to all agents that are licensed by the company to represent them for insurance agency operations in a particular area, including sale of life and health insurance, servicing policies already sold, recruiting and training, and providing administrative support.

General Liability Insurance: coverage for an insured when negligent acts and/or omissions result in bodily injury and/or property damage on the premises of a business, when someone is injured as a result of using the product manufactured (usually excluded), or distributed by a business, or when someone is injured in the general operation of a business.

Hired Auto Liability: liability insurance against loss due to claims for damage arising out of the use of vehicles rented or borrowed by the insured and used in the conduct of the insured's business. Does not pay for damage to the hired or borrowed vehicle itself. Frequently written in conjunction with Non-Owned Auto Liability.

Homeowner's Policy: a multi-peril package for owner-occupied dwellings, combining direct physical damage loss to real and personal property, including loss of personal property by theft, and liability for bodily injury and damage to property of others. May also be written for tenants of dwellings.

Incident: a term to describe any act or omission which may later give rise to a suit.

Independent Agent: an individual who represents at least two insurance companies. Such agents serve clients by searching the market for the most advantageous price.

Insurance Services Office (ISO): an agency responsible for developing and standardizing insurance forms and collecting loss statistics.

Insured: the person(s), partnership, association, trust or corporation whose insurable interest is protected by the policy.

Legal Liability: obligations and responsibilities subject to evaluation, interpretation and enforcement in a court of law. Casualty insurance provides coverage for an insured against: a civil legal liability suit (not criminal legal liability), intentional torts (civil wrongs) and liability for breach of contract.

Liability: a legal obligation to perform or not perform a specified act or acts. In insurance, the concern is with the circumstances in which (1) one party's property is damaged or destroyed, or (2) that party incurs bodily injury as a result of the negligent acts or omissions of another party.

Liability Insurance: insurance coverage where the insured is protected against claims of other parties. The insured's liability for damages under such coverage usually results from her/his negligence. Liability insurance is designed to provide coverage for exposure either on a business or personal basis.

Limit of Liability: the maximum amount which an insurance company agrees to pay in case of losses.

Long-Tail Liability: refers to claims that are made many years after an incident occurs. Children, under state laws, can sue for damages incurred at any time until they reach their majority, usually age 18, or for the statute of limitations period thereafter. For insurers and facility operators, this type of liability poses a problem in terms of determining their possible liability exposure and the amount of reserves to set aside against future claims.

Loss Control: any efforts by an organization or insurer to minimize liability risks, including both preventive measures, such as training and screening of staff and inspections and measures taken after an incident to minimize claims. Also referred to as Risk Management.

Malicious Mischief: intentional damage or destruction of another person's business property.

Managing General Agent: an individual or company that has an exclusive arrangement with a carrier to be the sole supplier of a particular line of business of coverage.

Minimum Premium: the smallest acceptable premium for which an insurance company will write a policy.

Named Insured: the individual, partnership, or corporation designated by name as the insured(s) under a policy. These are the entities who will be protected under the terms of the policy for their own actions which cause injury or property damage. Additional insureds may also be added; however, they are not protected for their own actions, but are protected if they are sued for injuries or damages due to the actions of the Named Insureds.

Negligence: the failure to use a reasonable amount of care when such failure results in injury or damage to another.

No Fault Liability: coverage in which a policy provides indemnity for bodily injury and/or property damage without regard to fault. The most common types of "no fault" liability insurance that a child care provider may encounter are Workers' Compensation insurance for on-the-job injuries of employees and no fault automobile liability insurance.

Non-Owned Automobile Liability Insurance: liability insurance against loss due to claims for damage arising out of the use of motor vehicles now owned or hired by the insured but used in the conduct of the insured's business. Does not pay for damage to the vehicle being so driven. Also known as Employer's Non-Owned Auto Liability.

Occurrence: an accident or sickness that results in an insured loss.

Occurrence Policy: an occurrence policy agrees to cover all claims which arise out of incidents which occur during the policy period regardless of whether or not the insurance policy is still in effect at the time that the claim is made.

Off-Shore Company: an insurance company housed outside of the United States that writes insurance and is usually unregulated by the states.

Owners, Landlords and Tenants: standard line of insurance which is designed to cover liabilities of these groups of insureds.

Peril: a situation that may cause harm or injury.

Personal Injury: wrongful conduct causing false arrest, invasion of privacy, libel, slander, defamation of character or bodily injury.

Policy: a written contract of insurance.

Policy Limit: the maximum amount of money for which an insurance company will spend in the event of a loss.

Pollution Exclusion: in 1985, the Insurance Service Office introduced a new comprehensive general liability policy that excluded coverage for nearly all types of pollution damage, leaving only limited liability coverage for pollution originating away from the insured's premises. This exclusion may apply to chloroform, gasoline, fuel oil and asbestos, among other pollutants.

Prior Acts Coverage: coverage for claims arising from acts that occurred before the beginning of the policy period. Policies written on a pure claims made basis cover claims only during the policy period. Prior acts coverage is necessary for covering a claim made during a current policy period for an event that happened before the policy was in force.

Product Liability Insurance: coverage usually provided under comprehensive general liability policy that insures in the event a liability suit is brought against the manufacturer and/or distributor of a product as a result of an individual incurring bodily injury or property damage through use of the product.

Professional Liability: coverage for specialists in various professional fields. Because basic liability policies do not protect against situations arising out of business or professional pursuits, professional liability is purchased by individuals who present themselves as professionals with greater than average expertise in particular areas. For child care providers, this definition could include those who hold themselves out to be early childhood teachers. Special teachers' professional coverage is available through some national organizations, such as the National Association for the Education of Young Children (NAEYC).

Property Damage Liability: coverage in the event of negligent acts and/or omissions of an insured resulting in damage or destruction of another's property. Coverage can be purchased with bodily injury liability under various insurance policies.

Property and Casualty Insurance: coverage for an insured whose property is damaged or destroyed by an insured peril, or whose negligent acts or omissions damage or destroy another party's property or cause bodily injury to another person.

Punitive Damages: damages assessed by a court to punish a defendant. Occasionally called "exemplary damages," as they are assessed for making an example of the defendant.

Refreshed Aggregate: when the maximum dollar amount of coverage, or "aggregate limit" of a claims made policy is exhausted through the payment of a claim, for an additional premium.

Risk Purchasing Group: a group of individuals, typically members of a particular company, union or association, who purchase liability insurance.

Risk Management: an effort by the insured to minimize liability risks. This includes both preventative, such as training and screening of staff, inspections, and taking measures after an incident to minimize claims. Also referred to as Loss Control.

State Guaranty Fund: a state fund used to cover insurance company bankruptcies and largely limited to admitted carriers. Created by state insurance commissions and generally funded by a surcharge on premiums to pay for claims against contributing insurers that have insufficient funds to pay the claims.

Statute of Limitations: a procedural statute that limits the time period in which a claim may be filed after the underlying incident/accident occurs. For most negligence actions in most states, the limit is two years.

Surplus Line Carrier: an insurance carrier that provides insurance coverage usually unobtainable through an admitted carrier. Such carriers are subject to relatively little state regulation and provide most of the insurance for care in this country. Also referred to as Excess Carrier.

Tort: a civil wrong. Includes negligent acts or omissions on the part of a defendant. Liability insurance is designed to cover an insured (defendant) for unintentional tort acts, even if the suit is without foundation.

Umbrella: a broad form liability policy providing high limit excess coverage of all forms of liability to which the insured may be held.

Vandalism: coverage for intentional damages usually written as an endorsement to property policies.

Underwriter: any individual officer or employee of an insurance company who has the responsibility of determining the acceptability of risks and the amount of risk the insurance company or syndicate will accept.

Wholesaler: an individual or agency that places insurance for small groups who cannot meet general underwriting standards.

APPENDIX I: STATE-IMPOSED LIABILITY INSURANCE REQUIREMENTS ON CHILD CARE*

STATE	CENTERS	FAMILY DAY CARE HOMES
ALABAMA	Not Required	Not Required
ALASKA	Required	Not Required
ARIZONA	Required	Required
ARKANSAS	Not Required	Not Required
CALIFORNIA	Not Required	Not Required
COLORADO	Not Required	Not Required
CONNECTICUT (a)	Not Required	Required
DELAWARE	Required	Required
D.C.	Not Required	Not Required
FLORIDA	Not Required	Not Required
GEORGIA	Not Required	Not Required
HAWAII	Not Required	Not Required
IDAHO	Not Required	Not Required
ILLINOIS	Required	Not Required
INDIANA	Not Required	Not Required
IOWA	Not Required	Not Required
KANSAS	Required	Not Required
KENTUCKY	Required	Required
LOUISIANA	Required	Not Required
MAINE (b)	Required	Required

STATE	CENTERS	FAMILY DAY CARE HOMES
MARYLAND (c)	Not Required	Required
MASSACHUSETTS	Not Required	Not Required
MICHIGAN	Not Required	Not Required
MINNESOTA	Required	Not Required
MISSISSIPPI	Not Required	Not Required
MISSOURI	Not Required	Not Required
MONTANA (d)	Required	Required
NEBRASKA	Not Required	Not Required
NEVADA (e)	Required	Required
NEW HAMPSHIRE	Not Required	Not Required
NEW JERSEY	Required	Required
NEW MEXICO	Not Required	Not Required
NEW YORK	Required	Not Required
NORTH CAROLINA	Not Required	Not Required
NORTH DAKOTA	Required	Not Required
OHIO	Not Required	Not Required
OKLAHOMA	Not Required	Not Required
OREGON	Not Required	Not Required
PENNSYLVANIA (f)	Required	Required
RHODE ISLAND	Required	Required
SOUTH CAROLINA	Not Required	Not Required
SOUTH DAKOTA (g)	Required	Required
TENNESSEE	Not Required	Not Required

STATE	CENTERS	FAMILY DAY CARE HOMES
TEXAS	Not Required	Not Required
UTAH	Not Required	Not Required
VERMONT	Required	Not Required
VIRGINIA	Required	Not Required
WASHINGTON	Not Required	Not Required
WEST VIRGINIA (h)	Required	Required
WISCONSIN	Required	Required
WYOMING	Not Required	Not Required

*Current As of April 1992

Note: In some states, regardless of any liability insurance requirements, providers may be required to have vehicle and/or fire insurance. Liability insurance may be required if a provider has a contract with her or his state to provide child care services. Periodically call your state licensing office for an update in order to keep abreast of changes in state child care insurance requirements.

(a) In Connecticut, insurance is required only for group day care homes.

(b) In Maine, family day care providers caring for children in their homes are not required to have liability insurance unless they are caring for between three and 12 children outside of their home (e.g., rented space).

(c) In Maryland, family day care providers are only required to have liability insurance if they belong to a homeowner's or condominium association.

(d) In Montana, family day care and group home providers are both required to have liability insurance.

(e) In Nevada, family day care and group home providers caring for five or more children are required to have liability insurance.

(f) In Pennsylvania, insurance is required for group day care homes and family day care homes caring for five or more children.

(g) In South Dakota, liability insurance is required only for group day care homes.

(h) In West Virginia, insurance is required for family day care providers caring for more than six children.

APPENDIX II: STATE CHILD CARE LICENSING OFFICES

Child care programs are regulated by each state. Below are the licensing offices in all 50 states. These offices provide information on what standards you must meet in order to operate a licensed center or family day care home.

Alabama
Alabama Dept. of Human Resources
50 North Ripley Street
Montgomery, Alabama 36130
(205) 242-1425

Alaska
Division of Family & Youth Services
P.O. Box H05
Juneau, Alaska 99801
(907) 465-3170

Arizona
Arizona Dept. of Health Services
Office of Children
Day Care Facilities Div.
100 W. Clerdon Street, 4th floor
Phoenix, Arizona 85013
(602) 255-1272

Arkansas
Div. of Children & Family Services
Day Care Licensing Division
P.O. Box 1437
Little Rock, Arkansas 72203
(501) 682-8590

California
Community Care Licensing
Dept. of Social Services, Day Care Unit
P.O. Box 3767/P.O. Box 3078
Sacramento, California 95814
(916) 322-8538

Colorado
Dept. of Social Services
Day Care Unit
1517 Sherman Street
Denver, Colorado 80203
(303) 866-5958

Connecticut
Community Nursing Home Health Div.
Child Day Care Licensing Unit
141-150 Washington Street
Hartford, Connecticut 06106
(203) 566-2575

Delaware
Licensing Bureau
Delaware Youth and Family Center
1825 Faulkland Road
Wilmington, Delaware 19805-1195
(302) 633-2700

Washington, D.C.
Licensing & Certification Division
Washington, D.C. 20001
(202) 727-7226

Florida
Office of Children, Youth & Families
Dept. of Health & Rehab. Services
1317 Winewood Blvd.
Tallahassee, Florida 32399
(904) 488-4900

Georgia
Child Care Licensing Office, Rm.607
Dept. of Human Resources
878 Peachtree Street, N.E.
Atlanta, Georgia 30309
(404) 894-5688

Hawaii
Licensing Unit
P.O. Box 339
Honolulu, Hawaii 96809
(808) 586-5697

Idaho
Dept. of Health & Welfare
Family and Children's Div.
450 W. State Street
Boise, Idaho 83720
(208) 334-5700

Illinois
Dept. of Children & Family Services
406 East Monroe Avenue
Springfield, Illinois 62701-1498
(217) 785-2688

Indiana
Dept. of Public Welfare
Child Welfare/Social Service Div.
402 W. Washington Street, Rm W364
Indianapolis, Indiana 46204
(317) 232-4442

Iowa
Div. of Adult, Children & Family
Iowa Dept. of Human Services
Hoover State Office Building
Des Moines, Iowa 50319
(515) 281-6074

Kansas
Dept. of Health & Environment
Child Care Licensing Section
900 S.W. Jackson St.
Topeka, Kansas 66612
(913) 296-1272

Kentucky
Div. of Licensing & Regulation
Cabinet for Human Resources Bldg.
Fourth Floor East
Frankfort, Kentucky 40621
(502) 564-2800

Louisiana
Dept. of Social Services
Dept. of Health & Hospitals
P.O. Box 3767/P.O. Box 3078
Baton Rouge, Louisiana 70821
(504) 342-4137

Maine
Dept. of Human Services
Bureau of Child & Family Services
221 State Street
Augusta, Maine 04333
(207) 289-5060

Maryland
Child Care Administration
2701 N. Charles Street, 5th floor
Baltimore, Maryland 21218
(301) 554-0400

Massachusetts
Office for Children
1 Ashburton Place
Boston, Massachusetts 02108
(617) 727-8900

Michigan
Div. of Child Day Care Licensing
Dept. of Social Services
235 South Grand Street, Suite 1212
P.O. Box 30037
Lansing, Michigan 48909
(517) 373-8300

Minnesota
Dept. of Human Services
Div. of Licensing
444 LaFayette Rd.
St. Paul, MN 55155
(612) 29603971

Mississippi
Div. of Child Care & Special Licensure
State Dept. of Health
P.O. Box 1700
Jackson, Mississippi 39215
(601) 987-4153

Missouri
Dept. of Family Services
State Office of Child Care
Licensing Unit
P.O. Box 88
Jefferson City, Missouri 65103
(314) 751-2678

Montana
Dept. of Family Services
P.O. Box 8005
Helena, Montana 59604
(406) 444-5900

Nebraska
Dept. of Social Services
P.O. Box 95026
310 Centennial Mall South, 5th floor
Lincoln, Nebraska 68509
(402) 471-3121

Nevada
Bureau of Services for Child Care
505 East King Street, Rm.101
Carson City, Nevada 89710
(702) 687-5911

New Hampshire
Div. of Public Health Services
Bureau of Child Care Standards & Licensing
Health & Human Services Bldg.
6 Hazen Drive
Concord, New Hampshire 03301
(603) 271-4523

New Jersey
Bureau of Licensing
Division of Youth & Family Services
CN 717
Trenton, New Jersey 08625
(609) 292-1018

New Mexico
Licensing Health-Related Facilities
Public Health Division
1190 St. Francis Drive
Sante Fe, New Mexico 87503
(505) 827-2389

New York
N.Y.C. Dept. of Health
Bureau of Day Care Licensing
65 Worth St., 4th floor
New York, New York 10013
(212) 334-7803

N.Y. State Dept. of Social Services
40 North Pearl Street
Albany, New York 12243
(518) 474-5926

North Carolina
Office of Child Day Care Licensing
Child Day Care Section
701 Barbour Drive
Raleigh, North Carolina 27603
(919) 733-4801

North Dakota
Dept. of Human Services
Child & Family Services Div.
Judicial Wing, 3rd floor
600 E. Boulevard Ave.
Bismarck, North Dakota 58505
(701) 224-4809

Ohio
Office of Child Care Services
30 East Broad Street, 30th floor
Columbus, Ohio 43266
(614) 466-3822

Oklahoma
Dept. of Human Services
Child Care Licensing Unit
P.O. Box 25352
Oklahoma City, Oklahoma 73125
(405) 521-3561

Oregon
Dept. of Human Resources
Children's Services Div.
198 Commercial Street, S.E.
Salem, Oregon 97310
(503) 378-3178

Pennsylvania
Dept. of Public Welfare
Central Region Day Care Services
P.O. Box 2675
Lanco Lodge Building 25
Harrisburg, Pennsylvania 17105
(717) 787-8691

Rhode Island
Dept. of Children & Families
Day Care Licensing Unit
610 Mt. Pleasant Ave., Bldg. 2
Providence, Rhode Island 02908
(401) 457-4995

South Carolina
Dept. of Social Services
Day Care Licensing Division
P.O. Box 1520
Columbia, South Carolina 29202
(803) 734-5740

South Dakota
Dept. of Social Services
Child Protection Services
Richard F. Kneip Bldg.
700 Governor's Drive
Pierre, South Dakota 57501
(605) 773-3227

Tennessee
Day Care Licensing Division
Dept. of Human Services
400 Deaderick
Nashville, Tennessee 37248
(615) 741-7129

Texas
Dept. of Human Services
Day Care Licensing Division
P.O. Box 149030, W-403
Austin, Texas 78714
(512) 450-3261

Utah
Division of Human Services
Office of Licensing
120 North, 200 West
Salt Lake City, Utah 84145
(801) 538-4242

Vermont
Licensing & Regulation Divisions
Day Care Unit
Dept. of Social & Rehab. Services
103 South Main Street
Waterbury, Vermont 05676
(802) 241-2158

Virginia
Division of Licensing Programs
Dept. of Social Services, Ste. 219
8007 Discovery Drive, Tyler Bldg.
Richmond, Virginia 23239
(804) 662-9075

Washington
Dept. of Social & Health Services
Div. of Children & Family Services
P.O. Box 45710
Olympia, Washington 98504
(206) 753-0204

West Virginia
Dept. of Human Resources
Office of Social Services
Building 6, Room 850
Charleston, West Virginia 25305
(304) 348-7980

Wisconsin
Day Care Licensing
Dept. of Health & Social Services
P.O. Box 7851
Madison, Wisconsin 53704
(608) 266-9314

Wyoming
Div. of Public Assistance & Social Services
Family Services Unit
Hathaway Building, 3rd floor
Cheyenne, Wyoming 82002
(307) 777-7561

APPENDIX III: NATIONAL RESOURCES

The following are national child care and insurance organizations that can provide information on child care regulations and licensing requirements in the states and on issues involving insurance and companies that may offer child care liability coverage. [Also refer to State Child Care Licensing Offices, page 73]:

Child Care Action Campaign
330 7th Avenue, 17th floor
New York, NY 10001
(212) 239-0138

A national non-profit public education, research and membership organization that provides information and original research to the public and to government and corporate policy makers about the needs of families, and the connection between these needs and national prosperity.

A.M. Best & Co.
Ambest Road
Oldwick, NJ 08858
(201) 439-2200

A national insurance rating agency that evaluates and rates the performance of insurance companies (actively operating in the U.S.) every six and nine months to determine their financial stability.

Human Services Risk Management
(a division of Child, Inc.)
818 E. 53rd Street
Austin, TX 78751
(512) 451-7361

An organization that provides loss control assistance and consultation to child care facilities, insurers, associations and regulatory bodies.

Insurance Information Institute
110 Williams Street
New York, NY 10038
(212) 669-9200

A non-profit communications, educational and fact-finding organization dedicated to improving the public's understanding of the property/casualty insurance business.

National Association for the Education of Young Children (NAEYC)
1834 Connecticut Avenue, N.W.
Washington, DC 20009
(202) 232-8777

A national membership-supported organization providing books and resources on topics related to early childhood education.

National Association of Child Care Resource and Referral Agencies (NACCRRA)
2116 Campus Drive, S.E.
Rochester, MN 55904
(507) 287-2020

A national association of community-based child care resource and referral agencies.

National Association For Family Day Care
725 15th Street, N.W.
Suite 505
Washington, DC 20005
(202) 347-3356

A membership-supported organization working with family day care home providers, resource & referral agencies, local and state associations and parents.

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Ronald E. Blaylock
Ulendahl Partners

Myrna Blyth
Ladies' Home Journal

T. Berry Brazelton, M.D.
Harvard Medical School

Vivian Cadden
Working Mother Magazine

Bettye M. Caldwell, Ph.D.
University of Arkansas at Little Rock

John Mack Carter
Good Housekeeping

Rosalind B. Chaikin

William B. Chaney
Tiffany & Company

Sey Chassler

Hillary Rodham Clinton
State of Arkansas

Roxanne J. Coady
R.J. Julia Booksellers, Ltd.

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Sheila B. Kamerman, D.S.W.
Columbia University School of Social Work

Elliot Lehman
FEL-PRO Inc.

Julia Hines Mabus

Jane Macon
Fulbright & Jaworski

Kristin A. Mannion
PaineWebber

Jay Mazur
International Ladies' Garment Workers' Union

Gerald McEntee
AFSCME, AFL-CIO

Evelyn Moore
National Black Child Development Institute

Gwen Morgan
Wheelock College

Sondra L. Murphy
New York Women's Foundation

Ann Muscari
Kinder-Care Learning Centers, Inc.

Irene Natividad
Natividad and Associates

Arthur L. Novell
Markham/Novell Communications, Ltd.

Sally Orr
Child Advocate

Sue Plastrik
National Council of Jewish Women

Bea Romer
State of Colorado

Herman Sillas
Ochoa and Sillas

James Strickland
Child, Inc.

Pierre M. Sutton
Inner City Broadcasting Corp.

Dee Topol
Primerica Foundation

Bernice Weissbourd
Family Focus, Inc.

Edward Zigler, Ph.D.
Bush Center, Yale University

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Please mail your check with this form to: CCAC, 330 7th Ave., 17th floor, NY, NY 10001.

Child Care
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